HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Tuesday, October 16, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 3 petitions.

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

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INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF CANADIAN PARLIAMENTARY DELEGATION TO AIPO

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the report of the Canadian parliamentary delegation that attended the Eleventh General Assembly of the AIPO in Singapore, from September 7 to 17, 1990.

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

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[*English*]

PARLIAMENT OF CANADA ACT

MEASURE TO AMEND

Mr. John Harvard (Winnipeg—St. James) moved for leave to introduce Bill C-337, an act to amend the Parliament of Canada Act (oath or solemn affirmation).

He said: Mr. Speaker, I am honoured to introduce this bill, seconded by my honourable colleague from Miramichi.

The purpose of my bill can be summed up in just a few words. All members of Parliament swear an oath of allegiance to Her Majesty the Queen. This is required by the Constitution. However, the oath makes no mention of Canada or its Constitution. I believe that this is seen by many Canadians as a shortcoming of the current oath.

Canadians would prefer an oath taken by parliamentarians that perhaps is best described as contemporary and up to date, one that reflects the growth in the maturity of our nation. I think my bill will do that. It would require MPs to take a second oath pledging allegiance to Canada and its Constitution.

Canada yet again is feeling an identity crisis. It is incumbent upon members of this House of Commons to express faith and confidence in Canada. I would welcome support for an oath of allegiance to Canada, our home, our beloved country.

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

* * *

PETITIONS

DAIRY INDUSTRY

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today under Standing Order 36 to present a petition to this House containing over 200 names of citizens of this nation who are upset about the government trading away part of our dairy industry.

These petitioners call upon the government to hold our Canadian system up as an example for the rest of the world and to protect it in its entirety at all costs in the current round of GATT negotiations.

We have on this list names of peoples from Woodstock, Glencoe, Appin, Thorndale, London, Strathroy, and Mill Pond Crescent. There are a lot of names of people who are very upset about government trading away part of our dairy industry. I am sure that I will hear from them too in regard to the suggestion made yesterday that Canadian farmers are getting $8.8 billion worth

of subsidies, when in fact it is much less than that in the dairy industry. Rather than $8.8 billion, the dairy industry is only getting $266 million in direct subsidies.

LOW-LEVEL FLIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is my honour and privilege to present a petition to this House signed by Canadians from western Canada, including places like Steinbach, Manitoba; Saskatoon, Rosthern and Carlton, Saskatchewan; and other points in western Canada.

These people are asking the government to stop the low-level flight training program as it affects aboriginal people both in Labrador and in other parts of Canada. They are happy that the training base will not be established and that the military has agreed not to escalate flights.

However, they would like all flights to end and that money to be directed toward developing a sustainable society among aboriginal people.

• (1110)

FOOD AND DRUGS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am pleased to present petitions today from almost 100 members of my constituency who are calling for the government to enact legislation amending food and drug regulations.

The petitioners feel that the new legislation is necessary and that it would require both manufacturers and restaurateurs to provide a specific list of food ingredients and additives in their prepackaged and prepared foods.

Perhaps this legislation would prevent the needless deaths from food allergies, like that of 15-year old Robyn Allen who died from consuming food that had peanut oil in it; he was strongly allergic to peanut oil.

There are many other Canadians who are in that situation. That is the purpose of this petition. It is supported by a private member's bill which was introduced in April by the hon. member for Hamilton East.

GOODS AND SERVICES TAX

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I too have the honour to present a petition sponsored by the Writers' Union of Canada.

The petition has been signed by Canadians from coast to coast, many in my own constituency. It reads: whereas the Government of Canada has seen fit, since Confederation and without hiatus, to apply a zero rate of tax to magazines, books and newspapers and, now proposes to include them in GST and whereas uninhibited dissemination of the printed word as a cornerstone of democracy, culture, education and a literate and productive society will be negatively affected by GST application, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to reaffirm the historic principles embodied in tax-free status for the printed word by retaining the zero rate in the GST legislation on regulations

* * *

[*Translation*]

QUESTIONS ON ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—RAFFERTY-ALAMEDA PROJECT

Mr. Simon de Jong (Regina—Qu'Appelle) moved:

That this House urge the Minister of the Environment to revoke the Rafferty-Alameda project licence and use all federal authority to prevent Saskatchewan from proceeding with project construction until an independent environmental assessment panel has completed its review.

He said: Mr. Speaker, it is a pleasure for me today to lead off the debate on this motion.

What we are concerned with is a very important issue. It is not just an issue of concern with the province of Saskatchewan, but how this issue is resolved will exhibit

to the Canadian people the commitment or lack of commitment of this federal government and the new Minister of the Environment to questions relating to the environment and how serious this government takes the environmental review process, especially when it affects megaprojects like the one we are debating today.

Let me start by saying, despite what some other politicians have claimed, that the New Democratic Party either here in Ottawa or in Saskatchewan is not opposed to building a dam there *per se*. If a proper process is followed, if there is an independent environmental review to show that no lasting negative environmental impact will occur because of this project, this project does make economic and environmental sense. We are totally and wholeheartedly for it. To be able to devise a way to allow southern Saskatchewan to have a lake, to have access to water would be a godsend.

There are many professionals and non-professionals who have serious doubts about the environmental effect and impact of this project as well as the economics. First let me comment on the economics. The Saskatchewan government wants to build two coal-fired plants in order to produce electricity. We can buy electricity cheaper from Manitoba. There are two coal-fired plants that have been mothballed in North Dakota. The infrastructure is there. We can buy electricity from those plants much cheaper than building the Rafferty-Alameda projects. Economically, it does not make sense to us.

Second, the Government of Saskatchewan claims that these reservoirs are needed as coolants for the coal-fired power plants, and that there is enough water in the Souris River to fill up these reservoirs. Various studies have shown that if the Rafferty dam had been built in 1912 it would not have filled until 1948 and that the Rafferty reservoir would not reach full supply level 97 per cent of the time.

In fact, the reservoir may never fill. The evaporation rate in the Rafferty reservoir would be as high as 75 per cent of the natural flows in any year. Instead of getting a lake some 70 kilometres long, which the Government of Saskatchewan is proposing, in fact what we will be getting are two algae-infested, green, slimy sloughs that will not be any use for recreation purposes, water supply purposes or for irrigation.

One really wonders about the motivation of the provincial government in jamming this project ahead. The Saskatchewan government claims that it did an environmental study. Indeed, it did do an environmental study. But that environmental study has been criticized by the federal Department of the Environment, by the U.S. Corps of Army Engineers and by the American Environmental Protection Agency. These are three very legitimate public bodies who have looked at the project and have found the Saskatchewan environmental study to be lacking. In fact, the U.S. Corps of Army Engineers in their report stated:

> The credibility of the quantitative results of both of the above model studies is severely limited by the lack of a model calibration and the verification based on historic data. Furthermore, the programs are highly simplified in that the normal variable flow, water temperature, and pH are held as constants, and the assignment of initial input concentrations and reaction rate coefficients is highly subjective.

In other words, what the U.S. Corps of Army Engineers said about the Saskatchewan environmental study is that it is highly subjective and highly simplified.

When officials at the federal Department of the Environment were talking about the Saskatchewan studies it stated:

> There are a number of important information gaps related to assessing implications for federal responsibilities concerning this project. There are also ambiguities, errors and omissions with respect to technical information and impact predictions.

What we find is that very reputable organizations find tremendous fault with the Saskatchewan study.

Those parties who are very concerned about this project and the price tag of some $1.6 billion were dismayed when a former Minister of the Environment, Mr. McMillan, issued a licence on June 17, 1988. It was necessary for the government to issue a licence because we are dealing with an international water. The Souris River originates in Saskatchewan, flows through the United States and comes back up into Manitoba. There is obviously federal responsibility here.

• (1120)

It took us awhile to convince the government of the day, the one before the last election, that there was some federal responsibility here. A licence was granted on June 17, 1988 anyway. The conditions surrounding that licence are certainly suspect. We knew at the time that Mr. McMillan was giving the licence to the Province of Saskatchewan in exchange for an agreement for the Grasslands National Park. The federal government has

been wanting this park for some time. The Province of Saskatchewan had been holding back, so in exchange for the licence, Saskatchewan agreed to go along with the Grasslands park.

As well, many of us suspected another reason. Around that time the Federal Court made a decision regarding French-language rights in the Province of Saskatchewan. Remember, as well, that was around the time when a by-election was being held in the riding of Saint-Jean in the Province of Quebec.

We suspect as well that there was some agreement of compliance with the federal order regarding French-language rights in Saskatchewan in exchange for this licence.

Right from the beginning political deals were being made, political deals about the environment. Well, that was not good enough for people concerned with the environment. It was not good enough for the Canadian Wildlife Federation and with an organization called SCRAP which is Stop Construction of the Rafferty-Alameda Projects. They went to court and on April 10, 1989 the Federal Court squashed the licence because, as the court stated, the minister did not comply with the EARP guidelines.

The Saskatchewan government appealed this and on June 22, 1989 the court upheld its first decision saying that the EARP guidelines were binding on the minister and must be applied to the Rafferty-Alameda dam project.

Already we have had two court decisions insisting that the federal government has a responsibility and that it had not lived up to that responsibility before issuing the licence.

A second licence was issued on August 31, 1989 after the minister had ordered an initial environmental evaluation, an IEE. This is the way the EARP process works. First, the minister has what is called an initial environmental evaluation. There are no public hearings on this. A rough evaluation is made and a report presented to the minister. Then the minister decides whether there is reason to hold a full public inquiry. The minister at that time decided that there was not enough reason to hold a full environmental inquiry and so he issued the second licence.

Again people opposed to this project took the government to court and a historic decision was made in December of last year. The decision reiterated the two previous court findings, that there was federal responsibility and a full public inquiry should be held.

What the court said was that the government should either revoke the licence in the 30-day period or else put in a full environmental review process.

The Government of Saskatchewan and the Government of Canada reached some agreement. It was the understanding under that agreement that no construction was to take place other than for safety reasons, an environmental review process was to be put in place, an independent panel was to be named, public hearings were to be held, and we thought things rested with that. People were generally happy with that process.

Earlier this spring, upon hearing rumours that construction was continuing on the Rafferty part of the project, I visited the site and indeed I saw the bulldozers working back and forth. I raised the matter in the House at that time. The former Minister of the Environment assured me that the federal government was aware of this ongoing construction, that he was going to send a group of engineers to the site to see what type of work they were going to be doing, and that he would report back to the House. He never did report back to the House. It appears as though construction continued and continued until the panel itself felt that its own integrity and the integrity of the process was just being blown away. It became public last week that the panel had decided not to proceed further with its hearings. Then the premier of Saskatchewan repudiated the whole agreement officially and the next day the panel resigned, so here we are in this present situation.

I maintain that the federal government is not in compliance, as things stand now, with the Federal Court order. The Federal Court order of December of last year insisted that the licence be revoked unless there was an environmental review process. To do an environmental review process, and I quote from the court's decision, "the minister is lawfully obliged to require and permit a panel to conduct a public review of all the significant adverse environmental effects".

The minister must ensure that conditions exist that would allow the panel to conduct its inquiry. It is obvious that those conditions do not exist. That is why the panel resigned, because they could not proceed under the current conditions.

Therefore we maintain that the original court order is still in effect that now demands that the minister revoke that licence. Every day that passes when the minister does not revoke that licence, this federal government and the Minister of the Environment are in contravention of the court order. That surely is unacceptable, particularly from our own federal government.

There are some lessons to be learned in all this. First of all the big lesson is you do not mix the environment and politics the way this federal government and the Government of Saskatchewan have attempted to do it. There are all sorts of suggestions of deal making right from the beginning. The first licence was really part of a deal between the province of Saskatchewan and the federal government. Some of this seems to lead right to the door of the Prime Minister. It was the premier and the Prime Minister having friendly chats together making the deal.

Even with the present minister, we have all sorts of insinuations and suggestions, especially coming out of Saskatchewan, that there was some understanding between the federal government and the provincial government. In fact, in a very disturbing speech made by the president of the Saskatchewan Power Corporation, Mr. George Hill, last Friday he stated:

> In January, 1990, Dr. Good (one of the same civil servants) implored me not to insist on putting a time limit on when the Panel had to report. He no doubt wanted it to look like they had all kinds of independence. He assured me that he would have control over the Panel, through the Chairman, who would be an employee of the Federal Environmental Review Office. It must be understood that this office, known as FERO, for Federal Environmental Review Office, is not independent from the rest of the Federal Environmental Department. The head of FERO reports to Dr. Good, Dr. Good had spun his web to include all these people. He assured me that he was in control and he would see that they acted expeditiously and report in short order, because after all, this project had already been reviewed twice.

That is a statement by the president of the Saskatchewan Power Corporation saying that he had the assurance of the deputy minister of the federal Department of the Environment that he was able to control the panel and the workings of the panel.

That is a very serious charge. I hope that the Minister of the Environment will stand on his feet some time today and explain what Mr. Hill was talking about. Surely he can give us the assurance that the environmental review panel is indeed independent and not controlled by his department.

We must also really wonder about the motivations of the Saskatchewan government.

• (1130)

We understand that this project is to be mainly in the riding of the Premier of Saskatchewan, Mr. Devine. Of course, there are local spin-off benefits in terms of construction and jobs. Despite clear indications that this project makes no economic sense and makes no environmental sense, we very much expect that perhaps the only area where it does make sense is in terms of political sense for the Premier of Saskatchewan. He certainly has succeeded in whipping up local people who see the economic advantages to this project, for themselves, short-term. He has been able to mobilize these people and I suggest that the only way Premier Devine can get himself re-elected in his constituency is through these tactics.

An hon. member: He's buying the polls, even there.

Mr. de Jong: He is attempting, as my colleagues says, to buy the polls. Well, let me warn the Premier of Saskatchewan that it ain't going to do him any good because he is going down the tubes as well as soon as he screws up his courage to call a provincial election.

He is using $1.6 billion of public funds from the province of Saskatchewan for a very dubious environmentally and economically sound project. The people of Saskatchewan have been burdened with tremendous deficits and debts because of the present Tory government in Regina. He is quite willing to put an extra $1.6 billion on that accumulated debt just to assure his own re-election and I say, shame, shame, shame.

Of course, the premier does not want to have a full public inquiry. He does not want the public to know. In fact, earlier this year, people concerned with the project were questioning whether the Government of Saskatchewan was indeed complying with the agreement that they had made with the federal government in January of this year and they asked for all of the available documents. The Premier of Saskatchewan, on June 19 of this year, issued an order that all the files relating to the Rafferty-

Alameda Dam project be sealed and that they not be made public. The reason he gave for that was that it was in the public's interest. In other words, he stated that it was in the public's interest for the public not to know the complete story about the Rafferty–Alameda. Again, we say shame, shame, shame on the Premier of Saskatchewan.

In summation, let me state that the Minister of the Environment has only one option. He can only do one thing. Given the sorry and sordid history, given the political games that have been played between the federal government and the province of Saskatchewan, and given the court orders which are plain and explicit, this minister surely has no other recourse but to lift the licence to prevent any further construction, to have an independent, public, environmental review, and, on the basis of that report, then to make the decision whether or not to allow this project to proceed. But the first step he must take is to revoke the licence and revoke the licence today.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, let me begin by congratulating you on the responsibilities which you have assumed.

I would also like to explain to members of the House that the Minister of the Environment is unable to be present at this moment. He had planned to make the initial response on behalf of the government, as is traditional, but he will be here, hopefully, later this morning, prior to one o'clock.

I would like to take this opportunity to address what is a very complex and I am afraid, for some, a confusing issue, by providing some important, historical background on the establishment of the panel in question and its role up until very recently.

As many members understand, the process which we are discussing today began, in a very real sense, on January 29 with the appointment of the review panel by the Minister of the Environment and it has ended with the resignation of that same panel on October 12.

The panel itself, of course, was well qualified for the task. It consisted of Robert Connelly, chairman, who is an employee of FEARO; Hugh MacKay, a consulting engineer from Winnipeg specializing in water resources planning; Dr. Donald Gray, chairman of the Hydrology Division at the University of Saskatchewan; Robert Bell, aquatic biologist from La Ronge, also from Saskatchewan; and Dr. Moodie, a professor of biology at the University of Winnipeg. It was a distinguished group most of whose roots, of course, were in western Canada.

The construction at the Rafferty site was to be voluntarily stopped by the Saskatchewan government once the dam had been rendered safe and was not to resume until the Minister of the Environment had responded to the report of the panel. While the licence issued under the International River Improvements Act was to remain in place, the province did agree to accept any modifications to the licence which the minister wished to make and which fell within federal jurisdiction. Moreover, the Saskatchewan government was to give favourable consideration to recommendations from the panel which fell within provincial areas of jurisdiction.

As part of the safety measures, the low-level outlet structure of the Rafferty Dam was to be made operative through the placement of downstream erosion protection and the installation of a control valve. To do so, the 1990 spring run-off was to have been stored above the Rafferty Dam. The province agreed, at the minister's request, to store as much water as possible in reservoirs upstream of the Rafferty Dam.

As is the case of all panel reviews, the terms of reference for the review were issued by the Minister of the Environment. The Rafferty–Alameda panel was asked to undertake a review of the environmental and related social impacts of the project. In addition, the panel had the mandate to make recommendations concerning the operation of the Rafferty–Alameda Dam, including possible structural modifications, if necessary. In formulating its recommendations, the panel was to take account of Canada's international obligations, including agreements with the United States related to the project.

Construction of the project was to cease, once the Rafferty Dam had been rendered safe, and was not to resume until the panel had submitted its recommendations to the minister. The minister, as needed, and in response to the panel's report, had amended conditions

of the International River Improvements Act licence governing of the project.

The project components, as specified in the panel's terms of reference, were the Rafferty Dam and reservoir on the Souris River; the Rafferty-Boundary diversion channel; intermittent channelization for approximately 16 kilometres downstream of the Rafferty Dam; and the Alameda Dam and reservoir in Moose Mountain Creek, which is situated just north of Oxbow.

The Alameda Dam would be constructed on the main stem of Moose Mountain Creek, just east of the village of Alameda. The proposed dam and ancillary works would create a reservoir of sufficient capacity to regulate flows for flood control in both Canada and the United States—that, of course, has been one of the important objectives of the project—and for improved water supply to existing users from Oxbow to the international boundary and to potential new irrigators along the reservoir and downstream of the dam.

The panel was also asked to review all information prepared in accordance with the Saskatchewan Environmental Assessment Act, the United States National Environmental Policy Act and EARP itself.

No deadline was given for the completion of the review, although it was well understood that it is typical for reviews of this nature to require from 12 to 18 months for completion.

It is fair to say that there had been considerable study of the project and its effects prior to the appointment of this panel. These included environmental impact assessment statements prepared in accordance with Saskatchewan Environmental Assessment Act and the United States National Environmental Policy Act, with an initial environmental evaluation prepared in accordance with EARP guidelines order itself.

The first task of the panel was to formulate and issue operating procedures for the review. These procedures outlying how the panel planned to conduct the review were released on March 30, 1990, along with some questions and answers on the review itself.

During the first few months of its appointment, the panel was also examining and reviewing available studies on the project to determine if the information was adequate and whether or not additional information was required before proceeding to public hearings. The panel, after a detailed examination of over 25 volumes of information, decided it did in fact require additional information. Consequently, on May 25, the panel issued its draft information request and invited written public comments on its 36 questions.

In the draft request, the panel asked for additional information on water quantity and quality, fish, wildlife, plants, petroleum resources, and recreation.

• (1140)

During March and April of this year, the panel secretariat made two visits to the Souris basin, the purpose of which was to contact provincial and municipal officials, local residents, farmers, the media, and representatives of environmental groups to explain the process, answer questions, and listen to concerns and suggestions.

During the week of June 18, the panel toured the Souris basin and held two open houses in Estevan, Saskatchewan and in my own constituency of Brandon—Souris in in Souris, Manitoba. On its driving tour, the panel had the opportunity to deal firsthand with the Souris basin in Manitoba, wildlife refuges in North Dakota, and the project site in Saskatchewan. The open houses allowed the panel to explain the review process to local residents and to listen to their concerns.

The panel received 24 submissions commenting on the draft information request. Each submission was carefully considered by the panel in the preparation of the revised document. The final information request listed 45 questions that required answers before the panel could proceed to the public hearing stage of the process.

Perhaps it is worth taking a moment to discuss in some brief detail the nature of this further information request. It dealt with issues associated with water quantity, water quality, fish, wildlife, and other areas. For example in the area of water quantity, the panel felt it was important to understand the cyclic nature in the annual water balance of lakes in a prairie environment. However, data presented in the Souris Basin Development Authority, the SBDA, environmental impact statement was from 1912 to 1981. Given that 1982 to mid-1990 was a very dry period in my part of western Canada and in the area in which the Souris River flows, the inclusion of this data in the analysis would balance the number of

wet-dry cycles and it is expected they would increase the confidence of predictions on the time it would take to fill the reservoirs.

This is crucial information to assist in determining predicted flows in the basin downstream in both North Dakota and in Manitoba.

In the area of water quality, the panel noted that the validity of information from the models available would strongly depend on the manner in which they synthesize processes and on the existence and accuracy of available data. Although the water quality models reported in the SBDA Environmental Impact Statement appear to be state-of-the-art, there was in the mind of the panel insufficient data for proper calibrations and verification.

Consequently the panel asked for more information on water quality projections in the Rafferty Dam reservoir, in particular, and what was being done to address the uncertainties associated with the predictions on water quality in the western part of Manitoba.

In the area of fisheries, the panel noted that the operation of the reservoirs is expected to have both positive and negative effects on fish habitats in North Dakota and Manitoba, as well as in Saskatchewan. The sustainability of fish populations and the success of some of the proposed fisheries mitigation measures would depend on the conditions which prevail under the operating plan specified in the international agreement or required to meet the primary objectives of the project. Consequently, the panel wondered how the fisheries mitigation measures proposed for the Saskatchewan portion of the basin, and which might be required for the North Dakota and Manitoba parts of the basin, would be compatible with the operating plan and the primary objectives of the project.

In the wildlife area, the panel noted that the SBDA waterfowl mitigation plan outlines procedures to be implemented to address anticipated project-related waterfowl losses in Saskatchewan. But the panel also wondered what measures would be undertaken which would ensure that there would be no net loss of waterfowl production in the Souris basin as a result of the project and what national and/or international interim measures, if any, are under consideration.

The panel also noted that reservoir flooding will destroy vegetation that is important to the sustainability of wildlife populations, particularly white-tailed deer. It asked therefore that the effects of the loss of range on the regional population of white-tailed deer be quantified and to outline what measures are contemplated to provide alternate habitat for white-tailed deer.

These are only a few examples, Mr. Speaker, of some of the detailed questions that the panel raised to provide you and other members of the House with an example of the thorough analysis that the panel was undertaking in trying to do its job properly.

These are also important questions that will have to be thoroughly answered before any decision can be made on the potential environmental effects of this project.

It should also be noted that the panel received a response to these four questions from the SBDA on September 24. Thus the panel had reached step five in its seven step process and was about to make documents available for public review prior to proceeding to the final public hearing.

It should also be noted that while the panel was conducting its work, Saskatchewan was proceeding with ancillary works in the Rafferty reservoir and below the Rafferty dam. These activities included the construction of a causeway in the reservoir area, continuation of work on the new Dr. Mainprize Park and, most recently, the initiation of channelization downstream of the Rafferty dam.

After the panel had finalized its information request, initiated on August 1, it arranged for another tour of the Rafferty-Alameda area in early September. It visited the Rafferty dam and ancillary works and the proposed site of the Alameda structure. The tour was well advertised and somewhere between 50 and 100 people accompanied the panel throughout its visit, with SBDA officials and their consultants being present. The panel visited some of the mitigation lands that the SBDA is developing to reduce impacts. These include tree planting areas designed to replace wildlife habitat that would be flooded by the Rafferty reservoir. They also visited areas that have been designed to replace or to create fish habitat in the Rafferty reservoir.

The panel also visited the proposed location for the Alameda dam. The involvement of individuals from the Souris basin in the Estevan area and from Manitoba was considered to be most valuable to the panel in achieving a better understanding of the potential impact of the

project in general, ways to mitigate effects and both support and concerns about the project.

During this tour, the panel observed that channelization downstream of the Rafferty dam had begun.

While it was the understanding of all members, when appointed, that none of this work would occur, the panel was of the opinion that any negative environmental effects associated with the causeway and the park were reversible or could be mitigated. Therefore, the panel in spite of these frustrations continued its review. In a letter to the minister on October 4, the panel pointed out that initiation of downstream channelization clearly violated the panel's terms of reference which specifically charged the panel with reviewing this component of the project.

The panel recognized that the Canada–Saskatchewan ministerial agreement, which was signed in January 1990, restricting construction on the project, had been interpreted differently by the federal government and the Government of Saskatchewan. The panel also recognized and appreciated the attempts by the Minister of the Environment, the hon. Robert de Cotret, to reach an understanding with Saskatchewan on the agreement. It was this difference in interpretation and the incompatibility it caused with the terms of reference, however, which gave rise to the difficult situation in which the panel had been placed.

However, while the agreement regarding some aspects of the project may be ambiguous, it clearly states that no work on the Rafferty–Boundary diversion channel or on the Alameda dam and reservoir, including the acquisition of land, will begin and that construction on the Rafferty dam, once the safety of the works was assured, would cease until the review was complete. Once the safety of the Rafferty dam was secure, it was the panel's understanding that no work on these elements of the project would occur during the course of the review.

Given these circumstances, the panel sought guidance on how best to proceed with the review and in the interest of preserving the integrity and credibility of the process and the review, the panel felt compelled to suspend its operations until this matter was clarified.

It was a surprise, however, to the panel, after its letter was made public on October 11, that the premier of Saskatchewan announced later that same day that he instructed the SBDA to begin or to resume construction on all aspects of the Rafferty–Alameda project.

Premier Devine said he "issued the instruction in response to the announcement by the federal Rafferty–Alameda environmental review panel that it had suspended its operations pending clarification of its terms of reference". It is difficult to comprehend why a request to clarify terms of reference for the review which had advanced to the final stages would provoke such a reaction.

Not surprisingly, the panel announced the next day that it regretfully tendered its resignation to the minister. It pointed out while the review of the Rafferty dam was not an ideal situation, since it was well under construction when the panel began its task, there was every expectation on the part of the panel that it would be able to conduct a thorough and credible assessment of the potential environmental impacts and ways to mitigate the effects the Alameda project and the Boundary–Rafferty diversion channel prior to construction.

The announcement by Saskatchewan made it clearly impossible for the panel to complete its task in accordance with its terms of reference.

While the panel regretted that it would be unable to fulfil its obligation to the people of Saskatchewan, Manitoba and North Dakota, it felt, under the present circumstances, that its first priority must be the protection of the environment as well as the integrity and credibility of the review process. The minister, in accepting the panel's resignation stated, and I quote:

> When Saskatchewan announced its intention to start work on the Alameda project, the panel was compelled to resign. Since mid-summer I—

• (1150)

Meaning the minister.

> —have met with the premier, members of the panel, residents of the province and other stakeholders. I have tried to find a reasonable solution where the interests of the review panel, Saskatchewan, Manitoba, the environment and the economy could be

> accommodated. Unfortunately, we could not find that common ground. Had it completed its task, the panel would have provided valuable recommendations to the benefit of the environment and the people of Saskatchewan, Manitoba and North Dakota. The resignation is a loss for all concerned.

I believe that this bit of history demonstrates that the government has tried very hard to ensure that a proper environmental assessment panel review was conducted. My colleague, the Minister of the Environment, has had many discussions with the government of Saskatchewan to negotiate a practical way to allow the review process to continue. However, in the final analysis, his work has been frustrated, not through lack of effort, but rather because of a lack of authority to deal with this type of situation. It has become clear that the present environmental assessment and review process guidelines order developed by a previous administration was both confusing and ambiguous. We are now seeing, and I regret, the practical example of its failure. It would be appropriate later on this day, Mr. Speaker, for other hon. members to address how this matter might be rectified as, indeed, I am sure they will.

It is clear that the matter before us is a difficult one for two reasons. It is difficult because the guidelines that were originally designed in the early 1980s were not intended to have the force of law. They were drafted consequently in a manner in which, on occasions, was both sometimes confusing and ambiguous. These guidelines were later given the force of law, despite their inadequacy, and that is the system under which we are currently operating. I think most members of the House would agree that these guidelines have proven to be inadequate to the responsibility given them and that is why Bill C-78 is before this House and will be discussed in greater detail tomorrow.

It is also clear that the agreement reached between the Government of Canada and the Government of Saskatchewan in January of this year was not as precise as we would wish it to be, and that has led to different interpretations.

As to the significance of that agreement on the part of the Government of Canada and the Government of Saskatchewan, we proceeded in accordance with our responsibilities, as we understood them, in the early part of this year to appoint a panel. That panel has met and attempted to fulfil its task during the course of the summer. It has taken longer than many people in the area would have wished and the consequence has been an immense amount of frustration with that fact. As I have indicated, the task of the panel was substantive and the progress significant. We regret, therefore, that they felt compelled to resign.

The minister, when he speaks later this morning, will indicate in some detail the response of the government to the fact that the resignations have occurred. He indicated in the House yesterday that he made a commitment on behalf of the Government of Canada that it will fulfil its legal responsibilities and will address the matter of the appointment of a replacement panel because that is part of its responsibility.

I am somewhat at a loss in terms of being unable to be more precise at this time in the absence of the minister, but I can make a commitment to the House that the minister will speak to the House as soon as he is available and will at that time provide a more detailed explanation of the government's response to the resignation of the panel.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I listened with great interest to what the parliamentary secretary told us. First, we understand that the hon. member feels personally concerned with this since the question of water quality in the city of Souris is a broadened question on the study itself. A large group of people who are opposed to the project come from Brandon and Souris.

I also understand, Mr. Speaker, that the Saskatchewan government's stated intention to go ahead with the Alameda part of it might really be counter to what already has been told to the Saskatchewan government.

I understand in a letter dated August 15, signed by the Minister of Transport, to Mr. J. F. Dolecki of the Department of Economics at Brandon University, the minister stated as follows:

> The proponent, SaskPower, has applied under the Navigable Waters Protection Act (NWPA) for approval of the total project, including the causeway. The application will be processed in the usual manner. However, as a result of the Federal Appeal Court decision of March 13, 1990, on the Oldman River Dam project, the federal Environmental Assessment and Review Process (EARP) Guidelines Order will now apply.
>
> Given the fact that this project has been recommended for a public panel review under EARP, no action will be taken on the NWPA application until the panel has rendered its decision. I should add that

there are currently no plans to issue a stop order on the project under the NWPA.

What the minister is stating there is that he is not going to allow work to continue, yet the Saskatchewan government has now declared it is going to continue. My question to the government is this: What are you going to do about it?

Mr. Clark (Brandon—Souris): Mr. Speaker, let me respond to the first part of the hon. member's comments by noting that yes, this entire project has been of interest and concern to myself and, of course, to many members of my constituency.

The member is correct when he suggest that some of the principal opponents of the project reside within the constituency. I might also add just so that the information is before the House that there are also many supporters of the project residing within the Brandon—Souris constituency and I suspect that my constituents would want me to inform the hon. member that, indeed, the majority of the communications which I have received on this project actually favour it.

That is not to suggest that governments make decisions on the basis of the number of letters received in support or in opposition because governments have a responsibility to provide leadership and not simply to try to determine which way the political wind is blowing at any given moment. But I think the hon. member would want to have that information available.

The letter which the hon. member quoted with respect to a former colleague of mine at Brandon University, Professor Dolecki, was received from the Minister of Transport in which he referred to some information that would be received and the decisions that would be taken after the review panel had completed its work.

It is my understanding that we will be seeking the appointment of a review panel because that is what we are required to do under the law. We are anxious to receive the benefit of the work which has already been taking place.

As I indicated earlier in my remarks, the panel which has been in place for the balance of 1990 had reached step five in a seven step process. It had done an immense amount of background exploration. It met with the public on different occasions and it met with the interested parties. I believe it is very important that the information which it was putting together was for the recommendations it would be making to the Minister of the Environment and which would in due course be made.

I can understand why the panel, as I have indicated, felt compelled to resign early this month. I expect, Mr. Speaker, that a well qualified panel will be asked to continue with that responsibility with the appropriate terms of reference. I anticipate that they will be able to make use of the information which has been gathered to date and it will be on with the process and the application of EARP as we have been doing during the course of 1990. The end result will be the provision of the information to the minister and consequently the appropriate action.

• (1200)

Mr. Bob Horner (Mississauga West): Mr. Speaker, I want to thank my colleague for his comments concerning this difficult situation and especially his efforts to explain the difficulties that have marked the Rafferty–Alameda process.

Does the hon. parliamentary secretary feel that the Government of Canada has lived up to its obligations and its commitments regarding the environmental evaluation process?

Mr. Clark (Brandon—Souris): I guess the short answer to that, Mr. Speaker, is that I believe we have to date and we will continue to do so. We are at a very difficult period now, as one can expect, with the resignation of the panel, but we intend to fulfil those obligations as given to us.

If I might be permitted to add, because I know that the hon. member will be interested in knowing this, this had been a very difficult task. One of the reasons why it has been a very difficult task is the fact that the guidelines, which have now been given the force of law, are quite frankly inadequate and must be replaced. That is what Bill C–78 is all about.

I would hope therefore, if I am permitted an editorial, Mr. Speaker, that the hon. member will attend the debate tomorrow on second reading and lend his strong support to that legislation. We cannot permit the country to continue with the present guidelines being in place because they are not equal to the task which lies before

them. That has added very substantially to the difficulties of the federal government.

I firmly believe that Bill C-78 will be a very major step in ensuring that these issues will be addressed and resolved in the future, rather than concerns being addressed part way through the process as has been the case with Rafferty-Alameda.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I was wondering, first of all, whether the parliamentary secretary has had the opportunity to confer with his colleagues, the Solicitor General, about how it looks to the country to have three court orders essentially being overruled by a political fiasco in Saskatchewan that includes, I might remind him, George Hill, a former president of the Progressive Conservative Party of Saskatchewan who has very much politicized the whole SaskPower operation, and the new Senator Berntson in the other place who is one of the eight new appointments there. This is how it looks to the Saskatchewan people. There have also been suggestions from a former cabinet minister in the Saskatchewan government that water could be diverted from the Saskatchewan River system or even from the Churchill River system down into this swamp.

I was just wondering whether in fact the minister was aware of how this must look to the people of Saskatchewan, including the political implications as well as the environmental implications.

Mr. Clark (Brandon—Souris): Mr. Speaker, first of all the hon. member referred to a swamp and I am not too certain as to what area he is referring to. I have visited the area on two different occasions to meet with officials and with interested parties on both sides. While I did see an immense amount of very dry land, I did not see any swamp.

Mr. Funk: That is what there will be when they build the dam.

Mr. Clark (Brandon—Souris): I guess that is an issue on which there would obviously be a great deal of division of opinion, just as I believe there is a great deal of division of opinion on this issue in the province of Saskatchewan. On the question of whether or not Mr. Hill is qualified for his task is probably something which is better addressed in the provincial legislature of Saskatchewan rather than in the federal Parliament.

Certainly the Minister of the Environment has consulted with all his cabinet colleagues, as one would expect, and continues to do so. I think the federal government has tried very conscientiously. I would like to compliment the Minister of the Environment for the fact that in July he did visit the site. I know because I was present. He met with the opponents, with representatives of SCRAP in the city of Regina, and travelled to the site. I think all present had a good thorough knowledge of both the arguments in favour and opposed. I might add that that visit was very much appreciated because one of the things that is very frustrating to the people who live in that part of Saskatchewan is the fact that so many of these projects are evaluated from people who reside in very distant places. They do not always take the time to visit, to understand and to listen to both sides of the argument. I might say that the Minister of the Environment has very appropriately done that.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to speak on this motion before us. Certainly this is the most serious test and challenge of a government's commitment to environmental action that we have dealt with in this House.

The member who has just spoken talked about the inadequacy of the guidelines. I would remind the member opposite what the courts had to say about the government's action with respect to the guidelines. The courts have said that it is very clear that the government is trying to evade its responsibilities under the guidelines, which have now given substantially more force than will be the case with Bill C-78. The government, they said, should be embracing the guidelines in its responsibilities and instead it is evading them.

There are many things we do in government or as politicians on behalf of our constituents that can be undone if we have made a mistake. This is one of those things that cannot be undone. This is one of those things with damaging consequences that will go on for generations after none of us are here to live with those consequences. That is why it deserves the full attention of this House and the full attention of the government.

In fact what has happened is that we have a history of shame surrounding this project. It is the history of the government, through three consecutive ministers of the environment, that has sought to do everything it can to

ensure that this project is completed before an environmental assessment is carried out.

We have complete complicity, as I read the history of this, with ensuring that the damage that will be done by this project is neither fully nor thoroughly and publicly examined nor mitigated on the basis of a full environmental assessment. The whole purpose seems to have been to conspire to delay the process, to conspire not to take legal action that the government could have taken, and to conspire to issue permits to make sure that any environmental assessment that is ultimately carried out—and let me remind the House that there has not been a full environmental assessment under the meaning of the act—has no force and effect because the project is complete.

The history I have spoken of starts with the issuance of the first permit for this project by the federal government with the approval of the then minister of the Environment, the Hon. Tom McMillan, in June 1988. Knowing what it knew about the environmental effects of this project, knowing what it knew about the public objections, and knowing what the guideline order said its responsibility as a government was, in particular the minister's responsibility, this government went ahead and issued a permit. Let us not forget that fundamental fact. Since then we have had a process of delay and bungling that has allowed this project to proceed nearly to completion in defiance of two very specific court orders that that not happen.

For over 11 days now we have had a minister who knows that work is proceeding that should not be proceeding. He has failed to do anything to stop that work. The minister's predecessor knew since April that work was proceeding that should not proceed, in contravention of the court order and in contravention of the agreement. We have a government that has continued to pay the province of Saskatchewan $1 million a month of taxpayers' money to continue doing work under an agreement which it had agreed not to do.

• (1210)

We have a crisis now, a crisis of which a minister was aware in April and allowed to develop to this point. The minister admitted in the House last Friday that he was out in Saskatchewan in July, negotiating ways around the agreement and negotiating ways around the terms of reference of the environmental assessment panel. He was trying to pretend that work which was going on there was perfectly in accord with an agreement when he knew perfectly well the concerns of his environmental review panel that its work was futile, was useless, and was a sham if the work were allowed to continue.

The parliamentary secretary is sitting over there, shaking his head. Let me read from the letter of the Environmental Assessment Panel to the minister, dated October 4: "As you know, on April 2, this panel wrote to your predecessor expressing concerns regarding continued construction of the Rafferty–Alameda project. On April 27, Saskatchewan announced its intention to proceed with ancillary works in the Rafferty River reservoir and below the Rafferty dam.

These activities have gone far beyond any minimum measures necessary to ensure the safety of the site. The parliamentary secretary knows that, the minister knows that, and I suspect the Prime Minister knows that.

Why did they not act in April? Why did they not use the powers that are there under the guideline orders, that the courts have reaffirmed and that are in fact strengthened by the decisions they have made not only on Rafferty–Alameda but also on the Oldman River dam project?

The panel made clear many times over those months what its concerns were. The minister failed to act. I reject totally the minister's claims that he is now concerned and that he will take tough action. The time for tough action has passed and construction of the Rafferty dam is weeks away from completion, because there has been no action since last spring.

The panel is put in the position of saying that it understands that the agreement has been interpreted differently, the agreement between Saskatchewan and Ottawa which says that safety work can continue and that the Government of Canada will pay the province of Saskatchewan $1 million a month for the inconvenience of the delay. That has gone on since April now. For eight months the people of Canada have been paying the province of Saskatchewan $1 million a month not to work on the Rafferty–Alameda dam project, when the government has known perfectly well that it is proceeding in violation of that agreement and has continued to pay. I

ask the government and the minister how they can justify paying out money and allowing that project to proceed.

On Friday in the House the minister clearly said that the Alameda dam could not proceed. What he failed to address was the fact that contracts have been called on that dam and the contract for construction of that dam has proceeded. Not only do we have the Rafferty dam part of this project nearing completion without an environmental panel in place and without an assessment having been completed, but now we have the Government of Saskatchewan poised to commence work on the Alameda dam. One can almost hear the pleading in the letter from the panel where it mentions that it at least had hoped that it would be able to do a full environmental assessment of that part of the project before it had started.

Now the delays, the lack of action, as the court says the continual evasion of the government of its responsibilities under environmental assessment legislation and the guideline orders, have put us in a position where we have a second project that is under way. Even the opportunity to assess a part of that project before it starts is now denied to any environmental panel.

What is the minister going to do? He is going to take strong action. Where was he on October 4 when that permit should have been revoked immediately? Where was he on October 11 and 12 when the premier of Saskatchewan was saying he was going ahead with that work? Why do we sit here on October 16 and nothing yet has been done?

Where is he now? What is he going to do? Is he going to set up a new panel? Is he going to do what has been attempted since last April when the panel was set up to so modify the terms of reference of that panel that they are meaningless?

In a letter from FEARO to the panel in the spring, it made clear that the panel did not have the right to consider alternatives. A fundamental of any environmental assessment is that the panel has the right to consider what alternatives there were and whether this is the only means of achieving the government's or the proponent's ends.

The minister referred to tree planting as mitigating measures. It is up to an environmental assessment to determine what mitigating measures are adequate, not to the proponent to put in place what he considers mitigating measures and then expect the environmental panel to rubber stamp those mitigating measures.

We have two court orders that make it clear what the obligation is of the government. It is clear from the actions of the minister that those obligations have not been met. Tough talk instead of tough action does not delude this House or the public.

The parliamentary secretary talked about Bill C-78. The government, from the beginning of this project in June 1988 to now—well over two years—has avoided actions it could have and should have taken, has attempted in every way possible to ensure that this project continues. This inaction gives no one any confidence that Bill C-78 is going to lead to a process where all projects that proceed in this country are going to do so only with the fullest respect for the environment in a way that does not damage it, and in a way that sets us in a different direction, with the environment as our first consideration when we decide whether and how a project should continue.

Bill C-78 does not at all allay the concerns of the public and the concerns of this opposition that the government is one bit sincere. In fact, it allows for this kind of thing to continue. It allows for the government to compromise at any time it wants on environmental assessment.

We have guideline orders. We have court decisions that give those guideline orders full strength and effect, that give the government not only the right but the obligation to take whatever action it wants to protect the environment. Until we are prepared to move forward from the current situation in legislation, we should not move at all.

Bill C-78 does not move us forward in areas of interprovincial jurisdiction. What we need is a government with the courage and the confidence to say: "We are responsible for the environment in this country, and we are going to deal honestly, fairly but toughly with any problems or any authority that tries to damage that environment."

I just want to wrap up by saying what I said at the beginning. There are some things we do that are temporary in nature, that have a short term and not a terribly serious impact. This is one that does have serious impact.

This is a challenge to the government to act now, to pull that permit now, to go to court as construction continues, to do what it should have done months ago and use whatever political, fiscal and legal means at its disposal to stop this project. Any environmental panel set up, if it does not do that, will be a sham. It will be useless, worthless, because the project will be done before it has an opportunity to complete its work.

• (1220)

We have not yet talked about whether there was or was not a deal between the Premier of Saskatchewan and the Minister of the Environment. There is only one way for that question to be answered and that is for the minister to table all documents, all letters, all correspondence, any draft agreement, and any information so that this House can draw its own conclusions.

I find it hard to believe, and I think any reasonable person would find it hard to believe, that the Province of Saskatchewan would expose itself to legal damage by letting contracts, by even calling for tenders, if it did not know it could proceed. There is only one basis on which it could have known it could proceed and that was some indication from the Minister of the Environment that it would be able to proceed.

Against that logic the government has an obligation to table any information relative to the claims by the Premier of Saskatchewan and by the President of the Saskatchewan Power Corporation that such a deal existed. Only then will we and the Canadian public know who to believe on this issue and who to trust with the future of our most precious environmental resources.

I challenge the minister and I challenge the government to stop trying to fool Canadians about its intentions on the environment. Tough words do not stop the kind of damage this project is going to do. It should be subject to a full environmental assessment. It should be subject to a full report. It is too late now for the Rafferty dam. Let us admit that. Damage has been done that cannot be undone, but let us stop the work now and ensure it does not go any further. Let us make sure the Alameda dam does not proceed along the same bumbling path that has been followed at the Rafferty dam.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as a member of Parliament from Manitoba I have had a long-standing interest in the dispute over the Rafferty-Alameda dam. I had an opportunity to check the records this morning and see that I raised this in June, 1988.

I raised it as a result of information that came to me from someone who at that time worked in the minister's office. That person was concerned that the effects of this project on Manitoba were not being taken into consideration in the deliberations and agreements going on at that time between the Government of Saskatchewan and the Government of Canada with respect to the Rafferty-Alameda project.

The person I am referring to later resigned from the service of the Minister of the Environment over this issue and it was out of that resignation that came the support for the view that a deal had been made at that time between the Government of Saskatchewan and the Government of Canada with respect to Rafferty-Alameda, the deal being that the Saskatchewan government would accommodate the federal government on the Grasslands park in return for the Saskatchewan government having its way on the Rafferty-Alameda project.

The person I am referring to of course was Elizabeth May, who has since gone on to resume her work as an environmental activist and recently has authored a book with respect to the fight over South Moresby and Lyell Island.

I recall this to remind the government and the minister that the minister did not do the right thing with respect to the current situation in Rafferty-Alameda. He has already delayed in doing the right thing. We are at a disadvantage today because we know he may make an announcement later. We do not know what that announcement will be, but we can say that he has delayed in doing what we think is the right thing, which is revoking the licence. If the minister persists in not doing the right thing, he will be the third environment minister to have his credibility dashed on the rocks, so to speak, of the Rafferty-Alameda dam.

Tom McMillan, began his Ministry of the Environment with high expectations all around, and ended up discredited because of the way he handled the Rafferty-Alameda project. The next Minister of the Environment eventually left the ministry for reasons not related to the

environment, but had his credibility damaged by his reluctance to do the right thing with respect to Rafferty–Alameda.

We now have a third Minister of the Environment. If he ever wanted to do anything to shore up, build up or create some credibility for himself, having originally got the job in an extemporaneous sort of way because of the resignation of the former minister leaving the government caucus to join the Bloc Quebecois, he should do the right thing and take a very tough line with the Government of Saskatchewan. We feel that tough line should be the revoking of the licence, not taking the Government of Saskatchewan to court because that takes time.

The Government of Saskatchewan has shown that it has no respect for litigation. This has been through the courts and the construction continues. The only possible thing that might work is to revoke the licence. That is what the minister must do. If that is not the announcement he makes today then we will continue to be on his case until he does that.

We are talking about the rule of law. We listened, and all Canadians listened, with some sympathy to the Prime Minister the few times he emerged from under whatever rock he was hiding this summer to say something about what was happening at Oka. He would talk about the rule of law, about how all Canadian laws must be respected and that sort of thing. That is what we are talking about here. We are talking about a situation which has been ruled on by the courts, and the Government of Saskatchewan has flagrantly ignored the judgments reached by the courts, and what we assume was the spirit of the agreement between the federal government and the Government of Saskatchewan pursuant to those court judgments.

If this sort of thing happened anywhere else, if there was this kind of unauthorized property damage going on anywhere else, we would call the police. What is happening here is that the common property of everyone, in this case the environment and the land being subjected to the construction activities at Rafferty–Alameda, is being illegally altered and illegally damaged. If someone did this in your backyard or if someone went into the backyard of the hon. member for Brandon—Souris and said: "Well, I know there's a law against this and I know there is a court order against this, but I have decided I want to do this anyway," then proceeded to dig up his backyard. What would happen? That person would be brought to heel and might even end up in jail.

• (1230)

There has been a lot of talk over the last 10 years or so with respect to the environment. Some of it has come from the other side, but mostly it has come from environmental groups. They express the need to see negative or illegal actions against the environment, not in the namby-pamby way that we now regard them as civil matters which can be litigated and negotiated, but as crimes and the kind of thing we put an end to when they are happening. That is the kind of situation that we have here with respect to the Government of Saskatchewan and the Rafferty–Alameda project.

What kind of possible credibility can the government, or for that matter, the whole environmental review process, ever hope to have in the future if the Government of Saskatchewan can get away with simply saying: "We don't like that ruling and we have a different view of the agreement that we had with the federal government. We are just going to go ahead." It is no wonder this panel resigned.

Any group of people with a smidgen of self-respect would not have anything to do with this process. Perhaps these people felt, at the time at which they were appointed, that there was a serious intent on the part of both levels of government to initiate a full and meaningful review. Fair enough. But they have obviously come to the judgment that the kind of review they had in mind is not in the cards, and that the Government of Saskatchewan was proceeding apace with the project. Who would want to be part of a farce where you come up with a final review or judgment of a project just at the time it is being completed?

The only people who seem to be able to tolerate that scenario in its own mind is this government, but it is not just the credibility of the government that is at stake. If it was just that, I would not worry about it. It is like worrying about nothing, because it does not have any credibility. That is not the point. Who cares about the credibility of this government, *per se*, by itself?

What we care about is the way in which this government, by adding fuel to the fires of cynicism which are

already consuming the land, is creating a situation in which Canadians will find it impossible to have any hope, not with respect to all the things that we already associate cynicism with in the political process, but also with respect to this whole question of the environment and the rule of law. Yet, that is precisely what the government is doing in appearing at first to have made deals about the environment, then ignoring its own statutes, and being found in contravention of those statutes by the courts. And so it goes until the situation we find ourselves in today, where it appears that the minister knew that the panel had resigned, that construction was proceeding, and it was not until it became public that, thanks to being questioned in the House of Commons, he now is in the position of feeling that he has to do something about it.

If the minister has any commitment whatsoever to the integrity of the environmental review process, to the integrity of the role of government in protecting the environment, and for the sake of future governments—never mind this one—the only thing he can do is to revoke the licence. That is what we hope to hear from the minister later on today. Perhaps he will choose to make that announcement in the House when he speaks to this particular motion put forward by the member for Regina—Qu'Appelle.

I am very happy that today we have the opportunity to debate Rafferty-Alameda, and I congratulate the hon. member for Regina—Qu'Appelle on making it possible. I was also pleased to be able to second the motion. It gives us an opportunity to spend some time on this particular environmental question, but also on the larger question of the environment. I think on a day-to-day basis, or indeed on a month-to-month basis, it does not get as much attention around here as it should. It is as if, Mr. Speaker, we are all in a lifeboat somewhere and we are spending all of our time arguing about who the captain will be or how we are going to distribute the last remaining lunch that we have. In the meantime, the boat is sinking and nobody is willing to pay any attention to the fact that the boat is sinking. Well, the boat is sinking.

To use another analogy—a favourite of mine—which goes back a long time: the canaries in the mine are dying. We remember that miners used canaries in the mines so, when the canaries began to die, they knew that it was time to get the hell out of the mine because they can not breathe the air any more. Well, the canaries are dying all over the place.

The canaries are dying when there are no more fish left in the ocean to provide a livelihood for fishermen and fisherwomen. The canaries are dying when 10-year-old saplings or seven-year-old saplings have to be planted in Toronto, instead of the three-year-old saplings which used to be planted, because the three-year-old saplings will die due to the quality of the air in Toronto.

The canaries are dying all over the place and these are just a few examples. I could go on and on. And yet we, in the House, with our endless prattle about things that do not really matter when stacked up against the environment, are doing the Canadian public a great disservice by being so preoccupied with these penultimate matters, instead of the ultimate question of human survival, for that is what we are talking about. In each and every case, when we are talking about an environmental issue, we are asking if we have the collective political will to survive as a human species, to have a truly human, fully human future, or are we some kind of unintelligent species which will simply not wake up to what it is doing to itself and to its environment, and are we destined to collective self-destruction?

In that respect, individual Canadians can do a lot of things such as collecting stuff to recycle, buying green products, and all those sorts of things which are happening now. But, in the final analysis, that will not be enough unless policies are put into place and there is the political will by governments and the international and global communities to deal with this problem. I am sorry, but I do not see that kind of will displayed on the other side of the House. I do not see it in sufficient quantity internationally for that matter. There is a lot of talk about sustainable development, yes. One cannot turn on the TV or radio, or read anything now without hearing or reading about sustainable development.

We need to talk about what development means and what sustainability means, because this phrase has become cheapened. It has has become the standard language of public relations people and everyone else who wants to be part of the new thing happening *vis-à-vis* the environment. Well, public relations will not get us into the 21st century and 22nd century with a liveable environment. Only real political will will do that and real hard political choices that none of us will enjoy, not just the rich, the powerful, the polluters, but every one of us

who has a life-style which is wrapped up in ways which negatively affect the environment, and that includes almost everyone.

This is something I hope we will all keep in mind when we are debating Rafferty-Alameda, acid rain, PCBs, water quality in the Great Lakes, or whatever. All of these things need to be seen in the larger context of human survival and in the larger context of the integrity of creation. Unless we begin to think at that level about what we are doing when we are talking about these issues, we will not be addressing the problem adequately.

The minister can make a start today, in terms of creating that political will and in terms of demonstrating that political will, by telling Premier Grant Devine of Saskatchewan that, as far as the Government of Canada is concerned, he is acting outside the law and he will be treated the way outlaws are supposed to be treated. The licence should be revoked and, if construction on the project continues after that, then Mr. Devine ought to be answerable to the full extent of the law for the environmental crimes that he would be committing if he continued with that project.

• (1240)

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I appreciate the rage and the outrage I just heard expressed, but I wonder if the hon. member could give me some information about the past involvement of his party on this issue. Perhaps if he heard a few dates and events, he could tell me how his party responded.

For instance, in February, 1986 Premier Grant Devine announced the multi-million dollar Rafferty-Alameda Dam project. If I am not mistaken, there was an NDP government in power in Manitoba at that time and perhaps he might want to tell me how it reacted.

Perhaps he might want to tell me how the NDP government in Manitoba reacted in August, 1987, when the development authority, set up by Saskatchewan and various environmental groups, approached the NDP government in Manitoba and asked them to take a very strong stand against this development. The NDP government in Manitoba at that time said: "It's not our responsibility. It is the federal government's responsibility." It let the environmental groups take the government to court and we know that those were successful.

Again, in February, 1988, when there was still an NDP government in power in Manitoba—unless I am mistaken—the Saskatchewan Environment Minister approved the Rafferty-Alameda Dam project, and still the NDP government in Manitoba, knowing the impact on Manitoba and the public objections in Manitoba, resisted the pleas of environmental groups to take some legal action to try to oppose this.

I wonder if the hon. member who has just spoken would like to explain to me the past record of his colleagues in Manitoba on this.

Mr. Blaikie: Mr. Speaker, I congratulate the hon. member for doing her homework, a rare incident in the Liberal caucus but it is nice to see it happen every once in a while.

The fact of the matter is two things. First, part of the problem at that time was that the federal government and the Government of Saskatchewan were careful to do everything they could to exclude the Government of Manitoba from the process and, indeed, from a lot of the information. But the fact remains that I have no desire to defend the passivity with which this issue was dealt by the NDP government of that time. It was far too passive on a variety of environmental issues and I believe it is one of the reasons it met the fate it did in 1988.

I could spend a lot more time than the hon. member has documenting the way in which the government of the province of Manitoba at that time, in my judgment, did not pay enough attention, and did not have the political will I was just talking about that is necessary to deal with the tough environmental questions that has to be dealt with.

For example, with respect to returnable containers, the availability of returnable containers actually declined under an NDP government. I see that the Ontario NDP government has made a different kind of decision today and is reported in *The Toronto Star* as going to be taking a tough line with the soft drink industry in trying to get the number of returnable containers up. This is good news. This is the kind of thing the Manitoba NDP government should have done and did not do. I was one of the ones who was always on its case asking it to do it. If the hon. members talks to any of the cabinet ministers, they will verify what I have just said.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, before I ask my colleague a question I do want to make an observation. In terms of the opposition to the Rafferty–Alameda Dam, might I suggest that it was my party, including myself, that first raised it in the House consistently, before the Liberals even began to realize that there was an issue here. The record definitely shows this, if hon. members want to go back and check the record.

I must also say on this, which maybe indicates a difference as well, that the former Liberal critic for the environment, the hon. member for Davenport, and I had joint press conferences, including the Wildlife Federation and so forth, that we took this to be not a topic that we were going to score political points on, but a topic that we were working on together and we were quite anxious and willing to include any Conservative as well. The position we took, and that critic for the Liberal Party at that time, was that the environment is too important to play political games with. Unfortunately, the Liberal Party decided not to reappoint the hon. member for Davenport as its environmental critic and in fact now is playing politics with the environment, and let the record show that as well.

The question I want to ask my colleague is this. In my speech earlier, I quoted Mr. George Hill, who is still the president of the Saskatchewan Power Corporation. In his comments, Mr. George Hill stated how he had been assured by Dr. Good from the environmental department that Dr. Good had complete control over the environmental panel. He could determine pretty well how the panel was going to be operating. Mr. George Hill made some very serious allegations.

We know that the government has introduced Bill C–78, dealing with environmental review. Certainly the bill goes half way in a sense that environmental review will no longer be part of the environment department but will be separated. Mr. George Hill made the allegation in his speech that because right now the environmental review is under the environment department and Mr. Good of the environment department can control pretty well what the environmental review section is doing, while Bill C–78 separates that, still our request and the request of environmentalists is to have the environmental review part report directly to Parliament rather than to the Minister of the Environment to ensure that the environmental review process remains legitimate, remains outside of politics and should become answerable to Parliament rather than to the minister. Would my colleague agree with that?

Mr. Blaikie: Mr. Speaker, I would agree with that and expand on it in this sense, that I think that wherever possible environmental assessment needs to be taken out of political control, if you like. There is a problem with that as well because what does political mean? When we say out of political control, we mean political in the pejorative or partisan sense of that. I do not want to see it taken out of political control in the sense that larger genuine political questions about value, the nature of development, et cetera, which are political questions in the best sense of what it means to be political, and which at some point in a process need to be considered once the basic biological and physical assessments have been done of any particular project.

I want to say something in response to some of the heckling that I was getting from my colleagues. It is the first time I have ever been heckled and I am very sensitive about it. I was asked whether I had criticized the former NDP government on the public record. Indeed, I have had many occasions, some of them in this House, to criticize not only the Manitoba NDP government but the former Saskatchewan NDP government over their policies with respect to uranium mining. I know that it is strange to Liberals that anybody would get up and express criticism of a government of their own party. But we in the NDP have that kind of freedom of expression and we use it frequently in order to make our positions known.

• (1250)

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time provided for questions and comments has now expired. The Opposition House Leader has the floor.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, during a debate of this kind, it is customary for a member to be allowed a 20-minute speech, followed by time for questions and comments. The Official Opposition's interest in this Opposition day and in the motion before the House is such that my colleagues asked me to suggest, as has become customary, that we be allowed to split the 20 minutes in two periods of ten minutes, followed by five minutes for questions and comments. Or if you prefer, Mr. Speaker, we will give notice to the Chair that Liberal members wish to have each shared by two speakers. I say this so as not to complicate the task of

the Chair. We could start with the hon. member for Saint-Léonard—Anjou, who will speak for ten minutes.

The Acting Speaker (Mr. DeBlois): The House has heard the suggestion by the Parliamentary House Leader of the Official Opposition. Does the House agree with this request?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The Parliamentary Secretary to the Minister of the Environment?

[*English*]

Mr. Clark (Brandon—Souris): Mr. Speaker, we have no difficulty with the Official Opposition proceeding in that manner if they choose to do so.

I might add that I suspect that we on our side will probably not do so, but it it is only because the issue is so complex and needs such substantive argument that we will retain our 20-minute speeches.

Mr. de Jong: Mr. Speaker, on the same point. We have no objections. We do want some guidance from the Chair, though, in terms of what happens to the question period afterward. Is it understanding them that one can ask five-minute questions of each of the speakers?

Most probably, as the parliamentary secretary stated for the government members, most of our members as well will speak for 20 minutes. It is a complex issue. It does require some in depth understanding and some explanation.

We understand, as well, that the Liberals might lack this. They might want to speak for 10 minutes is to give us 10 minutes worth of platitudes, but again the record will show that.

An hon. member: Ten minutes of shallow breathing.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Your attention please. If I understand correctly, the House agrees with the proposal made by the Parliamentary House Leader of the Official Opposition. There are, of course, provisions that allow the members of the other parties to either take the full 20 minutes with 10 minutes of questions and comments, or divide their speaking time as well, as long as they advise the Chair before they start whether they intend to take 10 minutes or 20 minutes. So that is understood. I now recognize the hon. member for Saint-Léonard—Anjou, for a ten-minute speech.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I fully agree with my parliamentary House Leader. There is much I would like to say, but I prefer to give ten minutes of my speaking time to colleagues who will shed some light on the regional aspects and argue the importance of the federal government's role in environmental issues.

Mr. Speaker, when the Saskatchewan government decided to proceed with the Rafferty—Alameda project, our environment critic, the hon. member for LaSalle-Émard, said he was vigorously opposed to the Saskatchewan government's decision to go ahead with construction on the Rafferty dam, without having the requisite public hearings on the project's environmental impact.

Mr. Speaker, as you know, the history of this project goes back to February 13, 1986. Since then, there have been a number of developments. Studies were made, the licence was revoked and re-instated several times, and a number of conditions were set. Today, the latest decision by the Saskatchewan government contradicts a ruling by the Federal Court, and challenges federal environmental regulations. I hope the minister will set an example that will be clear to everyone concerned, and I hope he will do so as soon as possible—it is already late in the day—and that he will do everything necessary to stop this project. A clear stand is important because there are other projects as well.

For instance, I know that as far as Phase II of the James Bay Project was concerned, the Minister of the Environment was quite clear when he said that environmental assessments were necessary before they could proceed. So if the minister was that categorical for Quebec, the same should apply to Saskatchewan or Ontario, as in the case of any other program.

Mr. Speaker, this is not an area where one can conveniently say: now listen, it depends on the circum-

stances, we'll let them— there are a number of considerations and finally, there might be a provincial election. The environment, however, is so important because it involves the future of all mankind. That is why a clear stand must be taken, since this is not an area where concessions should be made, Mr. Speaker.

If we start making concessions, of course we can talk about foreign policy and the global economy, but the environment is the air we breathe and the water we drink, and that is why the future of mankind is at stake here. If a federal government cannot have clear authority over the environment, we are all wasting our time. If every province makes decisions for purely internal reasons, without considering what is at stake for our country and for the environment, I think we are not doing our job, and I therefore ask the Minister of the Environment to take action and do everything he can to put an immediate stop to this project until the requisite studies have been completed.

[*English*]

Mr. Speaker, to make sure that everyone listening understands why we are talking here and why we are in this situation, I would like to talk about what happened from the beginning to now. On February 13, 1986, Premier Grant Devine announced a multi-million dollar project. The Rafferty dam is to be used to cool the coal-fired generator at Shand. The Alameda reservoir water will be stored and released periodically. In August 1987, the Souris Basin Development Authority, set up by the province, released the results of its environmental impact study. Meanwhile, the province appointed a three member board of inquiry to hold public hearings. In February 1988, the province's environment minister approves work to begin on the dam projects after reviewing the board's recommendations.

Two years ago there were people opposed to the project. It ended up in court. The courts rejected and put this project on hold. Canadians are asking why the province of Saskatchewan wants to go ahead with it and why the minister is slowly, with all sorts of excuses, giving the opportunity for the project to continue. That is why my colleague from LaSalle—Émard said very clearly that this has to be stopped right away, otherwise the other provinces might look at the weaknesses of the federal government in this matter and proceed unilaterally like Saskatchewan did.

[*Translation*]

Mr. Speaker, I see you are signalling that my time has almost expired. In concluding, I would like to take the little time I have left to quote our environment critic, the hon. member for LaSalle—Émard, who said that the piles of studies that preceded the release of the Green Plan would be so much garbage if governments allowed a couple of developers to ignore these regulations through injunctions. Our future is at stake—our collective environmental future. That is what the Official Opposition critic or the environment had to say.

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, a report to the United Nations on the Canadian Council of Churches study of mental health and social stress of refugee claimants in Canada was made public today. The reports states:

> Canada's treatment of these large numbers of people is in direct violation of the International Covenant on Civil and Political Rights. If not remedied it will rank among the most significant mass abuses of human rights by Canada—

On December 28, 1988, in a downtown hotel in Toronto, the minister of immigration announced the plan for handling the cases of people in the system prior to the new law taking effect on January 1, 1989.

By the end of July 1990, over one and a half years from the announcement of an up to two year program, less than 20,000 cases had been completed. Of these, 16,179 had been accepted in principle and were in process of being landed, and 608 were rejected.

Almost all the claimants have now been in Canada for two years, many for four or more, and almost none have come out of the end of the tunnel.

S. O. 31

[*Translation*]

Mr. Speaker, this system is turning out to be an expensive proposition for Quebec because the province has to assume financial responsibility for the refugees. More especially, the system is discouraging immigrants from integrating the majority in Quebec. The minister must take immediate action because these policies—

Mr. Speaker: I regret to interrupt the hon. member but his time has expired.

* * *

TRIBUTE TO YVON DOLBEC

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I take this opportunity to tell members of the House about the 1990 award of the Quebec chapter of the Canadian Institute of International Affairs.

Mr. Speaker, the year's winner of this major award is Mr. Yvon Dolbec, founding president of Dolbec Logistique international Inc. Mr. Dolbec is well known for his outstanding contribution to international trade growth throughout Quebec and, more specifically, for his role in promoting international trade. This warm-hearted, dynamic and extremely generous man is the very image of the professional who devotes himself to the betterment of the community.

Mr. Speaker, I extend to him my sincere congratulations for winning this award, and I wish him many more years of success in international affairs.

* * *

[*English*]

WORLD FOOD DAY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today, World Food Day, Canadians are asked to stop and consider what so many of us take for granted: our daily bread.

We must remember that hundreds of thousands of Canadians, half of whom are children, go hungry each day and that our farmers who produce our basic food needs are less and less able to survive. Short-sighted government policies which fail to support our farmers can destroy our country's food production security, and polices which do not provide adequate nourishment to all Canadians will bankrupt us in future social costs.

World-wide the situation is even more serious. The discomfort of seeing the pitiful images of starving, emaciated children and adults must overwhelm us into action.

In Canada we must start by assuring security of Canadian food supply and production. This government must guarantee that our farmers will be protected in the current trade negotiations at the GATT. Each Canadian must understand the links between food consumption and environmental degradation and develop green, environmentally friendly habits.

Last, but not least, this government and all Canadians must strive to assure by policy and action that every human being is guaranteed his or her daily bread as a basic human right.

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the refugee backlog system in Canada has broken down.

Even with the increased budget and staff taken from regular immigration, it cannot process all 100,000 persons in the time the minister promised. Twenty-one months later only one quarter have received decisions. Of those accepted less than three per cent have been landed and allowed to apply to bring their spouses and children, which will likely take another two years.

A mental health study shows that 58 per cent of these claimants suffer declining mental health since they came to our land because of our government's delay. This is cruel and inhuman treatment, torture, according to the International Covenant on Civil and Political Rights, which Canada signed.

The great majority of our backlog came over three years ago from notoriously refugee producing countries such as Sri Lanka, Iran or El Salvador. Our government discriminates against them by forcing the most recent claimants from the Caribbean to jump the queue for examination first.

Shame on this government for continuing the torture of persons who came to Canada to escape from cruel and inhuman treatment at home.

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, Etobicoke Council and the Ontario government recently agreed to give Robin Pereira a rebate on her taxes to compensate her for airport noise disturbance.

Now that it has been established that a level of government recognizes airport noise as a problem, others will demand and can reasonably expect to receive compensation.

Recognizing noise as a problem is not new. Provincial governments have been building highway sound barriers for years. But it has been difficult to persuade governments to give airport noise similar attention.

What does this mean for the federal government? It means our government can no longer maintain that noise is a minimal concern and that complaints only represent a handful of citizens who exaggerate the effects of jet airliners flying over their homes.

Ultimately the federal government will be accountable. Others will follow Robin Pereira's lead, and soon provincial and municipal governments will demand compensation of their own.

Isn't it time that we take a serious look at this problem and address it with the attention it deserves?

* * *

FEAST OF LIGHTS

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, it is my pleasure to inform all hon. colleagues that the period of October 16 to October 20 marks the celebration of the *Diwali* Festival, the Hindu Feast of Lights.

This is an important time for Hindus in Canada and all around the world, as they commemorate the victory of light over darkness and love over hatred.

By commemorating Rama's defeat of the demon Ravana and the return of light to the world, *Diwali* imbues the Canadian Hindu community with a sense of joy and renewal.

With its vibrant spirituality and traditional wisdom, Hinduism and this particular festival have added much to our heritage. Celebrations like *Diwali* help us better understand and appreciate the common bonds of humanity and of the human experience in which we all share.

I believe I speak for all members of the House when I offer the Canadian Hindu community our sincere wishes for a *Diwali* full of joy and peace. In this spirit, all Canadians join with you today, Mr. Speaker.

* * *

THE ENVIRONMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the decision by the government to exempt the Alcan Kemano completion project from an environmental assessment is a gross violation of the Prime Minister's 1984 promise to conduct such a review.

A retired Fisheries and Oceans biologist has said that they were under great pressure to justify the Alcan agreement. Another today, has said that fisheries biologists were opposed to the government's proposal. A recent engineering study and now the B.C. ministry of the environment have expressed concerns about the Nechako River Agreement.

The biologist with Fisheries and Oceans says:

> This is a classic example of how to abandon a resource. It's a classic example of how to misuse scientists. And it's a classic example of getting public servants to put a good face on a bad decision.

The Minister of the Environment should subject this project to a full review, and the Minister of Justice should launch an investigation into the allegations that public employees were put under political pressure to justify this government's decision to kill a river.

* * *

BILL C-21

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, last week members of the United Allied Fishermen and the Allied Workers Union met with the Standing Committee on Labour, Employment and Immigration to express their concern that their unemployment insurance interests were not being protected.

I want the fishermen to know that if the Senate had passed Bill C-21 into law a year ago, they would not be concerned today because fishermen would be collecting their unemployment benefits after 10 weeks of work, whether or not they fish in an area considered to be a

high employment area or not. The policy of economic terrorism should indeed be put to an end, and it should be done in the Senate where it is being imposed by the Liberal senators, not because they care about the fishermen but because they care about playing crass political games.

I urge the United Allied Fishermen and the Allied Workers Union to lobby the other place as it has lobbied the standing committee, to let the senators know about the devastating effects the Liberal senators' partisan gamesmanship is having on the lives of fishermen, as well as on the lives of expectant parents, seniors and others who would benefit from the passing of Bill C-21.

* * *

• (1410)

WORLD FOOD DAY

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, today is the United Nations World Food Day. We usually think about those elsewhere who are hungry. We all too often block out the Canadian situation. We would do well to reflect on our own who live in constant hunger.

In Winnipeg, over 4,600 people rely on food banks. Almost 2,000 of these are children. In Canada, 1.4 million people including over half a million children are in a similar situation.

On Tuesday, October 2, in this House the Minister of Finance stated proudly that Canada experienced extremely strong growth in the economy for the past seven and a half years. Then why, over the last year alone, did the number of people using food banks increase by 30 per cent?

This government has decided that it is not responsible for hunger and malnutrition. This government has not declared war on poverty; it has declared war on the poor.

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, grain farmers in Canada are facing the worst cash flow crisis since the 1930s because the world price for wheat in real terms is the lowest in history due to the $50 per tonne Export Enhancement Program of the United States.

The Minister of Agriculture, after one year of fighting every farm organization in Canada to get rid of the interest-free cash advance program, has finally agreed to reinstate this program for one year. Finally he has realized that farmers are facing a disaster.

Last October the Saskatchewan Wheat Pool asked the government for a special assistance program for farmers. The government took six months to approve the program and payments were delayed for almost eleven months for many producers.

While the United States has armed its grain producers to the teeth in the international trade wars with programs like the cash advance program, deficiency payments and the export enhancement program, the Mulroney government has disarmed our farmers in this international trade war. This has weakened our bargaining position at the GATT negotiations. I call on the government to stop selling out our farmers and bring in emergency legislation to reinstate interest-free cash advances immediately.

* * *

[*Translation*]

THE SENATE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, one of my constituents, Mrs. Michelle Cloutier of Val Senneville, outraged at the behaviour of Liberal senators, wrote to them on October 12, 1990, as follows: "As a Canadian citizen in a democratic system I urge you to stop playing games as you have been doing in an attempt to delay Senate proceedings. I also ask you not to accept any pay for the time that has been lost, because you are very handsomely paid by the Canadian taxpayers. Finally, instead of trying to prevent the government from dealing with the situation, I would suggest that you prove beyond any doubt that the Liberal policies implemented when you were in office did not result in the current dismal economic and social conditions. Liberal senators, either you work for Canadians or retire and let Canadians work for you".

Mr. Speaker, I should think we share the feelings of Mrs. Cloutier when she states that, come election time, all Canadians will remember how the Liberal Party is behaving these days!

Some hon. members: Hear, hear.

* * *

[*English*]

THE SENATE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I recently received a copy of a letter sent to Senator MacEachen by one of my constituents, a small businessman in Westfield, New Brunswick.

My constituent urges Senator MacEachen to support the GST. He says:

> I question whether Canadians support the disruption and uncertainty the Senate has caused by holding up the GST legislation. I also question whether the lobbyists who have called on you have really vested an unelected Senate with a mandate to overturn legislation that was part of the last campaign platform of the current elected majority government.

The time for obstructionism is over. The Senate has created a climate of uncertainty for Canada's business community that is unacceptable. It is time for Liberal senators to set aside their partisan politics and get on with the business of Canada's duly elected representatives.

I wonder if Senator MacEachen has read the name of my constituent into the record.

* * *

[*Translation*]

THE SENATE

Mr. Jean-Marc Robitaille (Terrebonne): Like most Canadians, Mr. Speaker, my constituents have had enough of the ridiculous and outrageous performance of Liberal senators.

While men and women throughout the country are tightening their belts and working hard day in and day out to earn a living, the $65,000-a-year Liberal senators blow their kazoos and bang their desks.

While commerce people and businessmen work hard to build a better and more prosperous country, the Liberal senators ring the bells and read the phone directory, all the while getting the extra $153 a day they voted for themselves when they held the majority.

Mr. Speaker, we do not mind if they want to play children's games, but not at the expense of hard-working Canadians.

Some hon. members: Hear, hear.

* * *

[*English*]

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Rafferty-Alameda project represents only the tip of the iceberg when watching this government's failure to discharge its responsibilities and protect the environment. It is not the existing guidelines that are weak, it is this government that lacks spine.

The Minister of Transport ignores the court ruling on the Oldman River dam. The Minister of Fisheries and Oceans exempts Point Aconi and the Alcan expansion, and ignores the concerns of the public. The Minister of Finance keeps ignoring the environment in tax reform and budgets and, on the crucial issue of James Bay 2, ambiguity reigns.

Canadians want substance, not public relations in the form of glossy brochures.

* * *

WAR MEASURES ACT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, 20 years ago this morning the federal government invoked the War Measures Act. I was a new member of Parliament at the time and I sat here as our leader, Tommy Douglas, rose to condemn that act in Parliament.

Now, some 20 years later, many questions remain unanswered.

[*Translation*]

However, we have learned two lessons, Mr. Speaker. First, violence must never be used in a democratic society. Second, the government overreacted by using the War Measures Act.

[*English*]

Mr. Speaker, the 15 of us, including Stanley Knowles, joined Tommy Douglas in voting against that act. We were proud of Tommy Douglas when he said, and I quote:

> —we are not prepared to use the preservation of law and order as a smoke screen to destroy the liberties and the freedom of the people of Canada.

We proudly voted against that act on October 16, 1970.

ORAL QUESTION PERIOD

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Agriculture. Right now, the government is engaged in intense negotiations at the GATT on issues vital to the future of Canadian agriculture and, therefore, to the future of a large part of our Canadian economy. Yesterday here in this House the Minister for International Trade said, and I quote:

> The Minister of Agriculture should be ashamed at the amount of assistance he is giving Canadian farmers.

As far as I am aware, the Minister of Agriculture remained silent in the face of this statement. He did not deny it or contradict it. So I ask the minister about this statement. How can Canadian farmers have confidence in this government's ability to protect their interests? Is this not a strange way for this government to strengthen its hand by saying it is too generous to the farmers of this country?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I used to know the Leader of the Opposition when he had a sense of humour. He has obviously lost it. Even *The Globe and Mail* detected that the comment made by the Minister for International Trade was being made tongue in cheek.

Mr. Speaker, for the benefit of the Leader of the Opposition, he may be interested in noting how some of the farm leaders have responded to the very balanced and well thought out position that has been put forth by the Government of Canada in the GATT negotiations as they relate to agriculture. Mr. Don Knoerr, president of the Canadian Federation of Agriculture said that the national farm group strongly supports the main thrust of the Canadian government's proposals. I think that is a pretty solid endorsation of our position.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. I have a statement in my hand which was just released by the Canadian milk producers concerning the government's GATT position. They say:

> The Canadian offer regarding minimum access and the reduction of internal support to milk producers will be of no benefit to Canadian consumers and will severely penalize Canadian milk producers.

This is a statement just issued. I say to the Minister of Agriculture that this is a serious matter and he should not be making statements intended to be taken tongue in cheek, although the Minister for International Trade, in making one, may well have had not just his tongue but both feet in his mouth.

• (1420)

[*Translation*]

Mr. Speaker, yesterday the government tabled a proposal that would raise market share of imported dairy products from 2.5 per cent to 5 per cent. I want to ask the minister why this government offeredc to double the market share of our competitors and how far he intends to go with this absurd and perilous policy.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): I am amazed at the hon. member's question. Last week, the Minister of Agriculture and I met the Dairy Farmers of Canada. Yesterday in Montreal, with Deputy Minister Denis, our representative in Geneva, and other parties, I met representatives of the Dairy Farmers of Canada and the Union des producteurs agricoles. Today, these people issued a press release, stating that the position tabled by Canada in Geneva was a positive development.

I want to make it quite clear that the status quo—and everybody across Canada agrees—is unacceptable, and that we had to table a proposal with GATT that would be positive and make the rest of the world realize the Canadian structure is probably the best in the world, but we had to convince our partners. Our own people could not agree more that the status quo was unacceptable. Since we are not like the Liberals, who merely complain whenever something doesn't suit them, we have tabled a position that reflects the objectives of agriculture for the twenty-first century.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister is a few weeks late with his press release, because I just quoted a statement made a few minutes ago by John Killoran, president of the Dairy Farmers of Canada, in which he said—I will quote from the English text—referring to a volume of 3.5 per cent:

[*English*]

> It is unrealistic for the federal government to expect the Canadian dairy industry to accept guaranteed access to its markets beyond this level.

He went on to say:

> The third aspect of the Canadian offer is the reduction in direct government support for agricultural producers of 50 per cent over the next ten years. "This proposal has never been endorsed by his organization and appears unjustifiable in the context of the GATT" said Mr. Killoran.

[*Translation*]

I therefore want to ask the minister why the government insists on maintaining a policy that was rejected by the Dairy Farmers of Canada. Why?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is trying hard but he is unable to overcome the general thrust of the statements. For example, Mr. Jim Caldwell of the Canadian Cattlemen's Association said that there is more to life than cows giving milk; there are cows that give meat. He said if other countries would adopt the Canadian position, we would have a pretty good deal.

The Canadian chicken marketing agency said—the hon. chickens opposite should listen to this—"poultry and egg producers would have little or nothing to complain about. It is what we expected." I mean wake up and join the real world.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of Agriculture. Yesterday, the Minister of Agriculture claimed that the Dairy Farmers of Canada supported the Conservative Government's position at GATT, as a result of which dairy imports would double and industrial milk subsidies would be cut by 50 per cent. I would now like to read a quote by Don Killoran, president of the Dairy Farmers of Canada, who issued a press release about 20 minutes ago:

> It is unrealistic for the federal government to expect the Canadian dairy industry to accept guaranteed access to its markets beyond this level.

I would like to ask the minister why he makes this erroneous claim that the Dairy Farmers of Canada approve of his government's policy. He knows it isn't true.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the hon. member ought to know that in the past three years, the Canadian position— When his government was in power, it did not bother to meet Canadian leaders in the agricultural sector even once in 16 years, but we, and first of all the Prime Minister and the Minister of Agriculture, meet them whenever necessary. We have set up committees to consult people across Canada. Last week, we consulted the Dairy Farmers of Canada. We are aware of the problems. I would like to read to you a document received from the Dairy Farmers of Canada in connection with the GATT talks.

As far as Canada's dairy industry is concerned, however, maintaining Article XI in its present form no longer provides protection against imports of processed dairy products, a protection that is crucial in order to preserve Canada's supply management program. It is therefore essential for Canada's dairy industry that the wording of Article XI be amended to reflect the Canadian proposal. That is what we have done, Mr. Speaker, and we did it because we believe in supply management.

Some hon. members: Hear, hear.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would remind the minister that Mr. Killoran has just told us 20 minutes ago, not last month, and I quote: "Canada's offer concerning minimum access and reduced support for producers will not benefit Canadian consumers but will severely penalize Canadian dairy producers". That is what Mr. Killoran said just 20 minutes ago.

Here is my question to the minister: Will he finally stand up and defend the agricultural producers, yes or no? If he cannot do that, let somebody else take over!

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr.

Speaker, I do not have to stand for such lecturing from the hon. member when it comes to defending Canadian farmers.

What my colleague and hon. members ought to know is that there already exists a minimum access to the Canadian market, roughly 2.5 or 2.7 per cent. The agricultural community now recognizes that we can no longer bar access to such sectors as butter, and that we must open up something like 1 to 1.5 per cent of our market. Mr. Speaker, we are in the position of a claimant. We are hoping for an article XI which would provide good protection for our marketing boards and prevent situations such as we experienced last year in the case of yogurt and ice cream. What we need, Mr. Speaker, is a supply management system which effectively protects dairy producers, not a system which might deteriorate from week to week. That is what we advocate, Mr. Speaker, a consistent position which will protect Canadian agricultural producers for years to come.

* * *

[*English*]

INDIAN AFFAIRS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. Aboriginal people in this country have received a lot of promises and many of those promises were made during the Oka crisis. However, now that the guns have been dropped, the barricades are down and the cameras gone, this government has fallen silent. I remind the Prime Minister that during the crisis he said that would develop, and I quote, "programs and policies that will bring a much greater degree of social justice and fairness to the native peoples across Canada". The Prime Minister is also committed to speed up land claims, to improve economic and social conditions.

What specifically has the Prime Minister done to see that land claims progress more quickly? What specifically has he done to ameliorate the social and economic conditions for aboriginal people across this country since that promise?

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very glad that the hon. member has reminded us of the commitments that we made to the aboriginal people on September 25. We are proceeding in a co-ordinated fashion to realize some of those commitments.

• (1430)

It takes a lot of time to reverse a trend that has been occurring in the country over the century. The Prime Minister's commitment is the most broadly based, most sweeping, and most deeply penetrating commitment of its kind in the past century. We are progressing as well as can be expected, but we will be glad to advise the hon. member of our progress as we go along.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Prime Minister. I regret, and the aboriginal peoples of Canada I am sure regret, that the Prime Minister will not stand in the House today and answer for his own promises.

I say to the Prime Minister, we have had a number of reviews, including the Penner report, the Coolican report, and the La Forme report on land claims. There have been many reports in the House on aboriginal conditions. The government has been in power six years. It has had six years to put into place a plan to deal with aboriginal issues.

I have made proposals, particularly around the land claims issue, one of them being an aboriginal land claims commission. Will the Prime Minister consider that proposal, and consider a system really to deal with land claims across the country? Will he consider an aboriginal land claims commission?

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very glad to consider all these options. In fact, that is exactly what is happening. If the hon. member would listen for a moment, she would hear what we have been saying all the way along, that we are looking at co-ordinated, appropriate ways of dealing with these issues. When we have the answers, we will be very pleased to present them to the hon. member in the House.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Prime Minister. I would remind the government that there are many people who have proposed the answers and most of all the aboriginal peoples of the country who should be consulted. He and the government should be listening to the answers that they have proposed.

[*Translation*]

Mr. Speaker, on September 24 I urged the Prime Minister to hold a public inquiry on the incidents at Oka and Kanesatake. He said that after the crisis, and I quote the Prime Minister, the government will be more than pleased to take the kind of action suggested by the New Democratic Party Leader.

Mr. Speaker, we need a public inquiry, we need action, not just words. We need a wide-ranging public inquiry like Mr. Justice Dubin's or the Marshall inquiry in New Brunswick. Will the Prime Minister act now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is a motion to refer the whole matter to a parliamentary committee, and this would be the best way for hon. members to get acquainted with this case. In my speech of September 25 I referred to a series of initiatives we were going to take in favour of native peoples. The hon. member said, and I quote:

[*English*]

"Many people have proposed answers to aboriginal problems."

[*Translation*]

The answers and the solutions I heard from the opposition and elsewhere are rather sketchy. For some time now we have been advocating more serious analyses leading to real and worthwhile solutions which will bring lasting benefits to the native people of Canada. Never did I suggest that the answers would come to us overnight. These are major issues which require serious analysis, and that is precisely what the Canadian government will do.

* * *

[*English*]

AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is directed to the Minister for International Trade, pursuant to the GATT negotiations.

Since 1986, the government, without getting a single solitary thing in return, has given away two-price wheat, tax rebates on farm fuels, and much more. Yesterday, there were even more concessions. All of this has happened—and this is key—even before the heavy, tough negotiations have begun.

What else is the minister prepared to give away? Will the Western Grain Transportation Act be sacrificed?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I outlined yesterday what the amount of assistance is that Canada provides for its farmers. I said it was a tremendous amount, a huge amount. The Leader of the Opposition, of course, forgot to mention that it is a huge amount of assistance, $8.8 billion a year.

If the hon. member wants to help the farmers of Canada, he will speak to his senatorial colleagues in the Liberal caucus and ask them to pass the GST bill which will save the farmers of Canada $250 million. This is the most accurate estimate we have.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, this minister should stop joking and get serious.

When it comes to trade distorting subsidies, Canada is not the worst offender. Yesterday, at the GATT the government proposed a 50 per cent across-the-board reduction in internal subsidies. The minister knows well that that is not going to alter the imbalance already there. Surely, Canadian farmers deserve a level playing-field.

Will the minister promise no reductions in Canadian supports until other countries reduce their subsidies to Canada's levels?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman reveals a total lack of knowledge of how the negotiations at the MTN operate. Canada's offer is made conditional on and subject to the other countries of the world making offers at least as good as our own offer. That is before our own offer will go into effect at all. If there is no agreement at the GATT, there will be no one agreeing to do anything with respect to trade distorting subsidy.

We intend to continue to support agriculture in ways that are non-trade distorting. We will continue to give very strong support to agriculture, but we will do it in ways that do not damage our own agricultural interests and do not crucify the western grain farmers, which the hon. gentleman completely ignores in his statements which reveal that he has not studied this subject at all. He should come to a briefing and then ask another question.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is directed to the Minister for International Trade as well.

The Minister of Agriculture said a few minutes ago that the Minister for International Trade's statement yesterday was made with tongue in cheek. I would suggest that it was probably made with foot in mouth, and perhaps some of his own colleagues could treat him for that.

The minister's figure that was quoted yesterday included the cost of provincial programs. It included the cost of border protection, research and development in the agri-food industry, and food inspection, all of which are costs that benefit all Canadians.

Is the minister saying that these expenditures are bad expenditures and bad ways to spend Canadian tax dollars?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is really a shocking display of lack of study by the members of the agricultural caucus, if they have an agricultural caucus in the Official Opposition.

Canada is trying to achieve the doing away of export subsidy assistance, which is at present ruining our Canadian exporting farmers. The Canadian Wheat Board, which offered an initial price at the start of the season of, I think, $135 a tonne, is having to sell far below that because of the ruinous export subsidized competition between the European Community and the United States. For four years now we have been trying to put an end to that. The hon. gentleman opposite does not realize it.

We intend to try to do away with trade distorting subsidies. Income support and protection for farmers and other programs that are not trade distorting, yes, we will support 100 per cent and continue to support, but we want our own farmers to be saved from this atrocious subsidized competition presently hammering them into the ground when they have the second best crop in their history. Wake up, man.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Possibly he can have a briefing with the minister who just spoke.

The minister knows full well that the statement made and the figures given by the Minister for International Trade yesterday left the wrong impression and gives an incorrect impression about the amount of money spent by the government to assist agriculture and Canadian farmers. It is really doing a disservice to Canadian farmers at this stage going into the round at GATT.

• (1440)

Why did the minister not stand immediately yesterday and correct his colleague, or does he agree with the statement he made yesterday?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is widely recognized in the outside world—I do not know if the hon. gentleman is in the world outside or inside—that this Minister of Agriculture has been the most expensive Minister of Agriculture in Canada's history.

Some hon. members: Hear, hear.

Mr. Crosbie: I was feeling sympathetic with the Minister of Finance yesterday.

Why does the hon. gentleman think that the President of the Canadian Federation of Agriculture, our biggest farm group, said that he can strongly support its general thrust, when speaking of our offer at the GATT? Does that not tell him anything?

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is addressed to the Minister of Agriculture who, eleven months ago, was quoted as saying in *The Ottawa Citizen* and in the *Calgary Herald*:

> This government is committed to the principles of supply-management and that includes border protection for the commodities.

Before the GATT yesterday, Canada proposed to open the borders for dairy and poultry products. What happened in the intervening year? Why the policy reversal?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is pretty clear that the position that the federal government has taken with respect to the supply-management systems in Canada is a position that, not only secures the retention of the supply-management system in Canada, but indeed strengthens the existence of the supply-management system. It was under threat as a result of the existing Article XI, which

was undermined as a result of a GATT panel ruling that was brought down with respect to ice cream and yoghurt.

The hon. member across the way wants to quote selectively from the Dairy Farmers of Canada. This is what the Dairy Farmers of Canada have to say about this government's position today, October 16, 1990.

Some hon. members: Oh, oh.

Mr. Mazankowski: It is very important to clarify this issue. This is what the Dairy Farmers have said today: "The federal government offer within the trade negotiations in agriculture under GATT covers three important aspects for the Canadian dairy industry."

"The first aspect deals with the clarification of Article XI of the GATT which permits the maintenance of import controls in the case of supply-management. This clarification is necessary in order to recognize the validity of applying such a program on dairy products as has been the case in Canada for the past 20 years.

"Dairy Farmers of Canada submitted to the federal government a detailed proposal several months ago in order to improve the actual wording of the article of GATT, which is fundamental to the maintenance and future development of our industry. In this regard, the position tabled by the federal government is fully supportive of the recommendations of the Dairy Farmers of Canada."

Some hon. members: Hear, hear.

An hon. member: Read the second paragraph.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I do not know whether or not I should ask my first question again. We did not hear what the government's policy was.

Yesterday, Carla Hills called on Europeans to ignore their farmers because they represent only 10 per cent of the population and cannot throw out a government.

Since Canadian farmers represent less than 4 per cent of our population, and since the Europeans have had difficulty distinguishing Canada's position from the Americans', have our negotiators accepted that same analysis that farmers do not matter any more?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I do not know whether the hon. member has been reading what Carla Hills, the American trade negotiator has to say about the Canadian position. Our position is clearly well thought out. It is balanced, it is realistic and it reflects the reality of the Canadian agricultural industry. It will bring about order in the international marketplace, bring about some stability and security and hopefully some confidence in the total agricultural industry; and that is our bottom line.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Agriculture just read the second paragraph of a statement that I had already quoted from, issued around two o'clock by the Dairy Farmers of Canada.

I ask the Minister of Agriculture why he stopped where he did and why he did not read the next paragraph which begins as follows:

> "However, the government offer of a 5 per cent minimum access, by volume, to Canadian markets is unacceptable to Dairy Farmers of Canada" stressed Mr. Killoran.

Why did he not read that and put that on the record of *Hansard*?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, because I ran out of time.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Agriculture says that he ran out of time when it came time to defend the interests of Canadian farmers.

I ask the Minister of Agriculture if he will table the entire statement, which will be found to have in it all the points I raised, which were the quotations from the president of the Dairy Farmers of Canada. It says that the offer of 5 per cent and the other point I mentioned are totally unacceptable to the Dairy Farmers of Canada. If this government cares about the dairy farmers, why will it not accept that position and withdraw what it tabled at the GATT yesterday?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs) and Minister of State (Agriculture): Mr. Speaker, I would like to remind my colleague that in October 1989 the Dairy Farmers of Canada issued a document entitled *Necessary GATT Principles for Supply Management, Article XI*. The last paragraph of this document, paragraph (j), states: "—where no historical imports exist, permit the level of authorized imports of the product form to be not less than 1 per cent of the

domestic production of such product form, provided that the cumulative level of imports in quantity or value of the like domestic product in any form is not less than 5 per cent of total domestic production of the like domestic product", end of quotation.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. Considering the fact that the GST will increase the price of housing and that the Minister of Finance has devastated the industry with his made-in-Canada recession and excessively high interest rates, why doesn't the minister drop the GST instead of gouging Canadian consumers?

• (1450)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this matter of the GST has been decided in this House.

What is at issue today is whether senators who form a minority in the Senate are going to hold the Senate to ransom and hold this Parliament to ransom by not only resisting debate on the matter of the GST, but also resisting a vote on the GST.

The GST was part of this government's platform in the last election. The Liberal Party lost the election.

Ms. Copps: False.

Mr. Gauthier: It was not.

Mr. Wilson (Etobicoke Centre): It is very unusual that the member for Ottawa—Vanier would be saying that it was not part of our platform. Then why is it that the second item of the platform of the Liberal Party of Canada was that it was going to defeat the goods and services tax?

The rules that I have always worked by in this House is that if you lose an election, you do not run the agenda of Parliament.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, anybody who goes back to the records of 1988 will also find that the same minister said at the time that any reform in the tax system would be revenue neutral. That is what the minister said then and that is not what the minister is doing right now.

My supplementary is for the Minister of State for Housing. Is the minister aware that many people in Canada today find the housing situation very difficult? We have a record number of homeless at the present time. We have many people who are going to sleep on the street in the cold. Many shelters for the homeless are already full.

What is the Minister of State for Housing planning to do in order to assist the homeless of Canada? Is he planning to do what the Minister of Finance is saying in terms of a solution to the recession that people should die first before they can go to heaven?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I just want to make one point to the hon. member.

He cannot say it was not a part of our platform and then turn around and say we are not following one part of the part of our platform.

The point I would like to make to the hon. member is that there is a downturn in housing; that is very clear. But when you look at the housing record over the last four years from 1986 through 1989, we had levels of housing between 200,000 starts a year and 246,000 starts a year, which is a good deal higher than the normal sustainable level of housing starts, which is in the range of 175,000 to 185,000.

The condominium market in this province has been overbuilt in the last little while, so there is bound to be a reaction in the housing industry. That is the sort of reaction that we are going through right now. Because of the policies that we are following to get inflation down, to get interest rates down, we are going to see a recovery in the housing markets that will put us back on the track comparable to what we have seen in recent years.

* * *

PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of State for Privatization.

Can the minister confirm that under Article 1602 of the free trade agreement, the cap in Bill C-84 on the percentage of Petro-Canada shares that can be sold to foreigners can never be lowered? That under the trade deal, that 25 per cent foreign ownership ceiling will in

fact be a 25 per cent floor, leading irreversibly to greater foreign ownership of our national energy industry?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the short answer is no.

Petro-Canada can be owned 100 per cent by Canadians if they buy the shares.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, the question was not whether or not Canadians could own it. The question had to do with the cap contained in the bill which again, at 25 per cent, under the trade deal will be a floor not a ceiling. However, the last time the Tories tried to privatize Petro-Canada the minister said, on December 11, 1979, and I quote the minister:

> —only eligible Canadians—eligible Canadians—should be permitted to own shares in Petro-Canada, and only eligible Canadians—Canadians, I repeat—should be entitled to buy shares in the after-market. I have stated many times that the shares must go to and remain in Canadian hands.

When did the minister change his mind? When, like apparently the rest of the benches over there, did he become "a real live nephew of his Uncle Sam"?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am not sure if I heard the date right, but I think he said 1979. To my recollection, and the Secretary of State for External Affairs will have to correct me if I am wrong, I was not in that cabinet.

* * *

[*Translation*]

THE SENATE

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, my question is directed to the Prime Minister.

Further to the letter I sent you this morning, I would like to know what you intend to do about my recommendations which are summarized as follows and are intended to put an end to the masquerade in the Senate:

1—that, as soon as possible, a Senate code of ethics be implemented that would oblige senators to disclose appointments to the boards of major corporations or banks;

2—under the authority of the House of Commons to appropriate funds, that the vote of $41 million, representing Senate salaries, be reduced to zero, so that taxpayers would no longer have to pay for all their nonsense;

3—that, under section 38 of the Canadian Constitution, you initiate a constitutional resolution that would completely abolish the Senate in its present form.

Right Hon. Brian Mulroney (Prime Minister): I think we have three good ideas here.

In fact, I read the following in an article by Lysiane Gagnon in *La Presse* on October 11, and I quote:

> What do we do about the Senate? I have an idea. We don't have enough day-care centres— I think Senator Hébert and Senator Gigantès would be perfect as clowns and Senator MacEachen as a tap dancer. They already know their parts and only need some grease paint to look like they came straight from Le Cirque du Soleil.

However, the real question is how, at that critical moment last week, Senator MacEachen, who said he was a defender of low-income Canadians, happened to be in Brussels working for the Bank of Montreal, whose profits were $550 million in 1988.

Some hon. members: Hear, hear.

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I wish the Prime Minister, since he is the leader of this government, would indicate what he intends to do about the problems the Senate is causing for Canadians at this very moment, problems that will probably cost the taxpayer considerable amounts of money if we do not put an end to this nonsense right away.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I intend to consider the interesting suggestions made by the hon. member.

On October 9, *Le Soleil* reported, and I quote:

> "The Liberal Senators, led by Jacques Hébert, put on a vaudeville act last Thursday and Friday that made the last supporters of this institution hope it would be abolished outright".

The article referred to warriors in the Senate.

Mr. Saint-Julien: Lasagna!

Mr. Mulroney: Yes, Lasagna Hébert! Senator Hébert's brother asked him to stop his fooling around in the Senate, and on behalf of all parliamentarians, I would ask the Liberal Party to try to talk some sense into the Liberal senators!

Some hon. members: Hear, hear.

* * *

[*English*]

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, on October 11 the premier of Saskatchewan claimed to have an agreement with the Minister of the Environment, reached on September 5, which watered down the whole environmental approach on the Rafferty-Alameda dam.

• (1500)

I have a draft agreement in my hand that addresses these issues. It is a draft agreement between the Minister of the Environment and the Saskatchewan Water Corporation which says: "It is expressly agreed that the corporation may now proceed to acquire land and take steps necessary to proceed with construction of the Alameda dam, that the corporation may proceed to do all that is necessary"—

Mr. Speaker: Given the time, I must ask the hon. member to put her question.

Mrs. Catterall: Has the minister seen such an agreement? Has he signed it? Has he discussed it in any way or agreed with it in any way?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would just like to reiterate that this whole discussion is under debate today in the House.

I would like to say that I am under a court order at the moment to have a panel at work. I will comply with that order. I will meet my obligation to appoint a panel as soon as possible to resume the environmental assessment work that was stopped last week.

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a question of privilege arising out of Question Period wherein the Minister of State for Agriculture, inadvertently I am sure, led the House to believe erroneously that Dairy Farmers of Canada in November 1985 had agreed to the 5 per cent figure.

Dairy Farmers of Canada has just indicated to me over the phone that the—

Mr. Speaker: I hesitate to interrupt, but that is not a question of privilege. It is a matter of debate.

* * *

[*Translation*]

PRIVILEGE

FREEDOM OF ACCESS TO SENATE

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I thank you for granting me leave to raise a question of privilege today. It is my contention that my privileges—and, by the same token, those of all members—were breached yesterday afternoon by certain members of the other place.

After question period yesterday afternoon, Mr. Speaker, I went over to give Senator Jacques Hébert a message from one of my constituents who happens to be his brother. Senator Eymard Corbin, who was with Senator Hébert, tried to stop me by resorting to intimidation and insulting remarks like—

Some hon. members: Warriors! Warriors!

Mr. Robitaille: Warriors indeed.

If I may, Mr. Speaker, I should like to quote him. He said: "You have no business—

Mr. Speaker: I hesitate to interrupt the hon. member but this is not a question of privilege.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 81—RAFFERTY-ALAMEDA PROJECT

The House resumed consideration of the motion of Mr. de Jong: That this House urge the Minister of the Environment to revoke the Rafferty-Alameda project licence and use all federal authority to prevent Saskatchewan from proceeding with project construction until an independent environmental assessment panel has completed its review.

The Acting Speaker (Mr. DeBlois): When the House recessed at 1 o'clock the Liberal Opposition had the floor. Since it had been agreed that the allotted time would be split in two the Official Opposition still has 10 minutes.

The hon. member for Saint-Léonard—Anjou had the floor, but since he is not in the House now his allotted time as well as the time for questions and comments automatically expire. Therefore, as agreed by the House before recess, a second speaker on the opposition side may have the floor for 10 minutes.

[*English*]

Mr. Hawkes: Mr. Speaker, I am still waiting to use House time for my question of privilege about the hon. member for Kamloops. I see that the member is not present again today.

I have heard informally from some members of his party that he may be back by Thursday evening of this week. I wonder if the Speaker has confirmation as to when the member will be back in the House so that we might proceed with the point I raised last Friday.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Officially, the Chair does not know at this time when the Hon. Member for Kamloops will be back on the Hill.

The hon. member for Western Arctic has the floor.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise today to speak in the debate about basically the environment but more specifically about Rafferty-Alameda, the Rafferty dam mystery as it has become known.

One of the most fundamental questions to be asked is: Why is the Rafferty dam project racing toward the finish line when the important decisions have yet to be made about whether it should be built at all?

Being environmentally friendly is everyone's buzz word—businesses, consumers, and government—but it is not saving our planet. The situation with Rafferty-Alameda is indicative of most other environmental problems today, that is that there is no leadership. Ottawa and the provinces never stop arguing over who is responsible for what, without any leadership on who will defend the planet and protect the environment.

Canadians have made it clear that they want this government to take action on our many environmental problems. Most environmental damage is irreversible and the accumulative effects are degrading the environment at an astounding rate. Canada must lead the world in practising environmentally responsible statescraft. This means defining and implementing a strict concept of sustainable development through securing global co-operation to eliminate critical problems immediately and fostering an environmentally conscious populace through public education and involvement.

The Liberal government established Environment Canada in 1971. Today that ministry alone does not go far enough toward addressing the alarming environmental issues facing the world: mass famines in Africa, the Chernobyl nuclear accident, the *Exxon Valdez* oil spill, the holes in the ozone layer, and the global warming which could cause droughts and floods like our country has never experienced.

Knowing all of this I have to ask: Where is the government? Where are the policies? Government has to integrate environmental input into decision making at the highest level. Environment must be a priority of every federal department. It must be the cornerstone of every department's work.

Mr. Speaker, I say to you as I suggested over a year ago that we have a commissioner, an auditor of the environment who is independent of the House. Those are suggestions that have come from the public, because the

public feels the environment is one priority that cannot be compromised and muddled up in politics. It is beyond partisanship. The value of clean air and clean water and the environment is something that should not be compromised. Environmental considerations cannot be an add on or an after-thought. They must be made integral to economic policy making and planning and a required element of any economic development proposal.

One of the reasons I wanted to speak on this important issue is the effect of carelessness, as well as the lack of government commitment to the environment and the effect it may have on my riding in the Western Arctic.

• (1510)

I realize that the environment does not adhere to barriers or does not adhere to the walls that we think should be put up to isolate a problem in one area. That is not the way it works with pollution and with the environment.

The environmental problems facing the north, for instance, are extensive. The most serious include Arctic toxic pollution, ozone destruction, and the greenhouse effect. Acid rain is a bilateral problem that knows no borders, as I indicated. Acid rain potentially may affect all sectors of the environment including human health. The most persuasive evidence has been assembled for aquatic systems. It is well known that freshwater bodies begin to show biological damage at about a very moderate level of acidity. As well, discussion of long-range transport of air pollutants can no longer be restricted to oxides of sulphur and nitrogen. Hydrocarbons are interfacing with these new gases at low atmospheric levels, producing damaging ozone. Toxic pollutants such as pesticides, metals and PCBs are being emitted and volatilizing from aerial spraying and open bodies of water, to be deposited at great distances away. The ecological damage of acid rain is generally understood, but the associated human morbidity and potential long-term health effects are not.

Pollutants in the environment can wreak unforeseen results, among them a global warming trend that could push average temperatures higher than any in the experience of the human race. A nuclear winter caused by global war might mean the end of most life forms. These are sometimes viewed as radical ideas, but these are not viewed as radical by the scientific community that studies them everyday or by the people who have extreme concerns about the environment and feel that there should be no compromise.

Despite these problems we have the technologies, tools, and knowledge such as we have never had before to stop the self-destruction. We also need the sensitivity of politicians who really mean what they say and really believe, when they make legislation and commit legislation to the public and to this House that they mean to uphold it, that they do not make deals, and they do not have newspapers saying things that anger the public.

The Edmonton Journal quotes the minister as saying: "I always shake hands with the premiers when they come to see me. That does not mean I have agreed to everything they have put on the table but, in apparent contradiction to the general tone of his remarks, the hon. minister has also said he hopes the Rafferty-Alameda project will be completed. I still very much hope the project will go ahead but will go ahead under the conditions set forth by the court". The public is getting a very mixed message on this one.

I have another quote from *The Globe and Mail* of October 16 which reads: "The panel alleged that workers were already constructing channels with the Rafferty-Alameda in the river downstream from the dam, quite beyond the safety work agreed to and said it needed direction from the minister, the current environment minister. Premier Devine promptly said Saskatchewan would forge ahead with the construction and claimed he and Mr. de Cotret had made a special deal on September 5 to let the work go ahead. Mr. de Cotret denies there was such a deal. Yet nine months after the court's most recent ultimatum no full review has been completed, Saskatchewan is pressing ahead with the dam, and Mr. de Cotret is threatening to retaliate if it does so. Will Canadians need a political assessment to get to the bottom of this mess?"

There are many concerns about this. What this country needs is a government which will encompass environmental security as a cornerstone of all government policies, whether they be defence, foreign affairs, energy, fishing, or forestry. We need to push for acceleration of the ozone protocol, adoption of an international law of the air, measures to ensure rapid reduction in the CO_2 level, and the preservation of tropical rain forests. Taken together, these measures represent a comprehensive and coherent approach to our environment covering preventive, punitive and remedial action as well as both domestic and international aspects. They demonstrate

the proactive Liberal approach to this crucial issue. They are based on the fundamental premise that pollution is everyone's problem. We must all work together to ensure a healthy and secure environment for future generations.

What is the problem? Why do we have an Opposition Day to debate the Rafferty-Alameda when we have environmental assessment legislation? Why do we have this debate? The government has to be accountable. The Prime Minister has failed to implement a strict, sustainable development regime. It has been severely compromised. That is what the brunt of this whole debate is about.

His ministers have not acted as trustees to the environment, but have instead been the providers of exceptions. The Rafferty-Alameda is an exception to regulations. James Bay is an exception. No environmental assessment is necessary until the people push it to the limit.

Oldman River dam is also an exception. No environmental management is necessary. At Barriere Lake, conservation plans can be ignored. It is obvious that this government has to change the way it approaches the environment.

There are a group of ministers who are obsessed with opinion polls, but despite numerous surveys including the poll released this week, they choose to ignore what the public wants the government to do, which is to clean up its act and to own up to the legislation that is put through this House for the good of the environment and for the good of the Canadian public.

The Acting Speaker (Mr. DeBlois): Questions and comments, five minutes only.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question is of a more general nature for the hon. member for Western Arctic.

I want to congratulate her on an excellent speech on environmental concerns. Like so many members on this side of the House, I know she has a genuine concern about the environment. We are very dismayed—I think that is the polite way of putting it—at the lack of action on the part of the government.

I have in my hand a federal agenda for the environment called "Green Print for Canada" prepared by the Green Print for Canada committee. I know the hon. member has seen this document. I believe it was distributed to all members of this House. I know the hon. member for Broadview—Greenwood, who has been a proponent of environmental improvement in Canada and who organized the World Conference on the Environment in Toronto a year ago last summer has certainly been a proponent of this document.

In her review of it and discussions with government officials, has she noticed that any of the proposals put forward in this document have been implemented by the government? Or has it ignored every single one of them?

Ms. Blondin: Mr. Speaker, I would just like to say that I believe that this particular Green Plan is one that is refuted to belong to the Canadian public, because no one minister should take the ownership and possession of a piece of legislation that is intended for the good of all Canadians.

Having said that, this particular scheme was in the hands of the former Minister of the Environment, the hon. member for Lac-Saint-Jean. I would like to say that there has been no implementation of the recommendations in that particular Green Plan. I think it is one that needs to be shared with the public, and it is one that is under much scrutiny by the public. Certainly it is one that the people in my area of the Western Arctic and the north are intrigued by.

We have the situation in the Northwest Territories that is very serious. In fact, we have been the recipients in a very remote area of PCB pollution. The contamination of our food chain was sure no deal. A study was done on the contamination of mother's milk, for instance, which showed that Inuit mother's breast milk was contaminated. This is a very serious issue for us.

Also, we are looking at the whole impact of what we want to be zero discharge from Alberta pulp mills into the Northwest Territories. The pollution is feeding into the Northwest Territories from Alberta. We await any kind of direct action on this particular Green Plan at this point.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, just a quick question for my hon. friend. When would my hon. friend find it acceptable for agriculture or farmers in southern

Saskatchewan to have the proper kind of irrigation available so that they can grow crops necessary to feed the people of Canada. At what point in time would the hon. member accept a dam being built anywhere on any river, but particularly the one we are talking about?

• (1520)

Ms. Blondin: Mr. Speaker, there is only one answer to that. It is at a time at which a government that has committed itself to an environmental assessment review owns up to that legislation. That is the only time that a decision can be made as to whether or not a project can go ahead with regard to the proper environmental stewardship and all aspects of sustainable development.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the Saskatchewan Power Corporation is proceeding full speed ahead with construction of the Rafferty-Alameda water storage project. This situation is not in compliance with the federal court order of December 28, 1989.

[*Translation*]

According to the guidelines governing to the federal environmental impact review process, the December 28, 1989 Court order requires one environmental review before the project can be completed. I wish therefore to list the options which the government considered in order to meet the challenge raised by the Saskatchewan government.

[*English*]

It may appear at first thought that the most direct and expedient means available to me as minister responsible for the International River Improvements Act is simply to revoke the licence that my predecessor granted for the Saskatchewan Power Corporation to construct the Rafferty-Alameda project under this act.

That is what the hon. member for Regina—Qu'Appelle is suggesting as well.

Indeed, there is provision under the IRIA, section 13(1), for me to do so where a licensee has failed to comply with the terms and conditions of the licence. However, my officials have advised that the corporation is not in breach of any of the 22 conditions specified in the licence of 1989.

Moreover, since the act's regulations would give Saskatchewan months to comply with terms and conditions, any breach that occurred could not be corrected quickly. Given the pace of construction, the project would be finished before I would be able to revoke or suspend the licence. In other words, this option is not useful in the current circumstances.

The Government of Canada intends to proceed on this matter as follows. Mr. Speaker, I am under a court order to have a panel at work. I will comply with that order. I will meet my obligation to appoint a panel as soon as possible to resume the environmental assessment work that was stopped last week. At the same time, the government will take the necessary steps to ensure that the Alameda project not proceed until a full and proper environmental assessment can be completed.

Let me recall for the House the actions taken by my predecessor in response to the Federal Court order of December 1989 in this matter. As instructed by the court an environmental assessment panel for this project was appointed before January 30, 1990. At the same time an agreement was signed with the Saskatchewan Power Corporation. The terms of reference for the assessment panel and the agreement with the provincial corporation are consistent with reference to project construction.

Construction was to cease until the panel's recommendations had been received and I had the opportunity to amend the licence to take them into account. Only safety related construction on the Rafferty dam was permitted. This arrangement is demonstrated in the compensation clause whereby the Government of Canada offered financial assistance to the corporation to offset the expected cost of delaying the project. The Government of Canada has kept its end of the bargain in all respects. Saskatchewan has not. Therefore, as I stated in the House last Friday, I have instructed my officials that the October payment be suspended and that the November payments be frozen.

I visited the site in July and can assure the residents of this area of my sympathy for their efforts to come to grips with the vagaries of floods and droughts. The Rafferty and Alameda dams are needed by Canada to provide irrigation water for 4,800 hectares of farmland, for protection from flooding and for a resource of water

to cool a large new terminal power plant which will be completed in 1991.

In order to equitably share the water in the Souris River between Saskatchewan, North Dakota and Manitoba, a water sharing formula was agreed on between Canada and the United States in 1959. Without these dams, Saskatchewan retains only about one-third of the water to which it is entitled. The rest of Saskatchewan's share passes into North Dakota.

We also know that, even though its water supply would be reduced if the Rafferty and Alameda project is completed, North Dakota is willing to fund over 40 per cent of the cost. The United States wants the dam so that several communities will be protected from severe flooding.

As time passes, more and more of us are becoming increasingly concerned about the environmental health of the world in which we live, and we are now taking action. We are voicing our opinion, joining environmental organizations. We are recycling our wastes. We are thinking carefully before we purchase or unwisely dispose of environmentally unfriendly products.

This is a good trend, indeed an essential trend, if we are to leave this planet in a satisfactory state for the generations yet to be born. In the process of protecting the environment, however, we do not want to bring all developments to an end, hence the need for effective, environmental assessment mechanisms at both the provincial and the federal levels.

The controversy surrounding the Rafferty-Alameda project reinforces the need for strong and explicit environmental legislation. The 1984 EARP order in council under which officials of Environment Canada have been struggling was only intended to be a guide for the preparation of assessments. As such, it contains clauses which are ambiguous, difficult to apply and for which the necessary supporting tools—by that, I mean documents, definitions and criteria—still need to be developed both by the departments and the agencies, as well as by FEARO.

Just as Canada was a leading nation in embracing an environmental assessment and review process, let us maintain that leadership role and demonstrate to the world that we are serious about the need to take action to clarify that process in order to ensure that we have a truly sustainable development in this country.

Once we pass the new environmental assessment and review process legislation, Bill C-78 now in second reading, we will have our own house in order and we will be in a stronger position to influence the adoption of similar mechanisms by other nations.

However divided public opinion may be on the Rafferty-Alameda issue, the last thing people on either side of the issue want is to see such a carefully negotiated and difficult compromise torn apart at this time. We have too large a stake in this process to see it abandoned.

Mr. Speaker, the rebuff by Saskatchewan is a serious blow to co-operation as I understand it, and as we practice it. I am deeply disappointed at the turn of events last week. Yet it also serves as a clear reminder of the fragility and unreliability of our present mechanisms for dealing with environmental assessment. On the issue at hand I have an obligation to proceed in a business-like manner to make Saskatchewan live up to our agreement of January, 1990.

Unlike the Rafferty Dam on which construction began in 1987, the Alameda Dam has never proceeded past the planning stage. It is my hope that the province of Saskatchewan will make clear its intention not to proceed with work at Alameda. Let me repeat, however, we will not hesitate to take the steps necessary and available to us to ensure that this project does not go forward until a full assessment is complete.

• (1530)

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I want to say to the minister once again, when the House was expecting very clear and forthright answers, we got nothing but slipping and sliding.

The minister says that he will take all necessary steps. What necessary steps will he take to stop the ongoing construction that is presently proceeding at a rapid rate. He says he is going to cancel some funding. That is not going to stop the project. He said he will not revoke the licence. Clearly, he has given up that very important tool.

Would the minister be good enough to share with the House, and all members on both sides who have a deep concern about the impact that this specific project has—especially in places like Manitoba, North Dakota

and other parts of Saskatchewan—and, more importantly, what it does for the entire process of environmental review, what specific steps he intends to initiate to stop the construction of the project so that a review panel can do its work? As he is fully aware, his original review panel quit because they said there was no point in doing a review while the work was going ahead. Why appoint another panel when the work is proceeding? How is he going to stop the work?

Mr. de Cotret: Mr. Speaker, I think I have been very straightforward and very clear on this issue. First, I will live with the court order that we got in December 1989. We will appoint a new panel because that court order was very specific. We are in discussion right now with Saskatchewan on an agreement that would lead them to stop construction. There are other steps available. What I explained a few minutes ago was very simple.

The question of simply revoking the licence is a non-starter for the very simple reason that the licence has not been breached in any way. What has been breached is the agreement that was signed between Canada and Saskatchewan in January of 1990. That was the document that was breached. There is recourse to that document if we want to pursue it. That is exactly what I am doing at the moment.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I share the sentiments of my colleagues from Manitoba in my bitter disappointment at the minister's lack of action.

The minister is going to implement or put up a new panel. We have had a panel resign because they could not do their work and maintain the integrity of the environmental review process due to the actions of the Government of Saskatchewan and the inaction of the federal government in stopping the action of the Saskatchewan government. Now the government is talking about a new agreement. It thought it had an agreement with the province of Saskatchewan. That agreement grew out of a court order. The court order said lift the licence. The only reason it could maintain the licence was if it set up a proper environmental review process.

The government reached an agreement with the province of Saskatchewan. The spirit was there and the spirit of a court order was there to have the environmental review, for the construction to stop, other than for safety few reasons, and to have the review panel report?

Saskatchewan totally ignored the process. There is no other alternative but to revoke the licence. The court order demands that the licence is revoked. The one condition the court allowed to maintain the licence has now been breached and is no longer is existence. Therefore, the court order says to revoke the licence. The minister is not in compliance with a court order. For days and weeks now, the minister and the government have not been in compliance with the court order. If I was the minister, I would be very worried about that.

My second point is regarding the minister talking about Bill C-78. I drew attention to this in my speech and I hope he heard it. If not, he should refer to *Hansard*. They are remarks by Mr. George Hill. He said: "The head of FEARO reports to Dr. Good. Dr. Good has flung his whip to include all the—"

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please!

Very briefly. Since several Hon. Members have asked the Chair for an opportunity to ask questions or make comments, I would appreciate it if the Hon. Member for Regina-Qu'Appelle could be very brief, please.

[*English*]

Mr. de Jong: I will, Mr. Speaker. Let me just conclude with this quote.

This is what Mr. George Hill stated about his relationship with Dr. Good of the environmental department. Speaking of Dr. Good, Mr. Hill claims that "he had assured me that he was in control and he would see they acted"—meaning the environmental review process—"expeditiously and reported in short order because, after all, this project had already been reviewed twice". In other words, Mr. George Hill was claiming that Dr. Good was in control of the review panel. If that is the case, surely it is time that the minister's Bill C-78 be amended so that the environmental review reports to Parliament and not to the department.

I would appreciate comments on both points I have made.

Mr. de Cotret: Mr. Speaker, I would like to make the point that in reading Bill C-78 carefully, one will see that under the new recommended process the group that would be designed to carry out environmental reviews

would report directly to the minister. It would be much more of an arm's length relationship than the one we have right now.

I have said on a few occasions that I would be very happy to have any constructive suggestions on how to improve Bill C-78. We have to get Bill C-78 through the House. We have to have a piece of legislation that will replace a guidelines order that was never designed as legislation. It is very hard to interpret. It is very ambiguous and is leading us into situations that I think all members would deplore. I urge the hon. member to give me his comments on Bill C-78 and to move along with Bill C-78 as quickly as possible.

I take it we will be debating Bill C-78 tomorrow and I will obviously have more to say at that time. We certainly need that legislation in place. It is, at the moment, a good piece of legislation and it might be improved. We have to move along and get that piece of legislation before through the House, through the Senate, and given royal assent as soon as possible.

The Acting Speaker (Mr. DeBlois): The hon. member for Davenport. There is only one minute.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, because of time limitation, I have a very brief question.

Would the minister assure the House that, as far as he and his government are concerned, it is his interpretation that the guidelines resulting from the Order in Council of 1984 are mandatory? Those are the same guidelines that were used by the Canadian Wildlife Federation when it took the action in court which resulted with the stopping of the Rafferty-Alameda Dam construction. In his view, are the guidelines mandatory?

Mr. de Cotret: Mr. Speaker, what I can tell my hon. colleague is that I certainly believe that once we have a court order, a court order is a court order. I will certainly not recommend any position to my colleagues in government that will lead the government to be in contempt of court. The court order is very clear and what I have been saying for the last half hour is that we will live up to the court order. There is no question about that in my mind and no question among my colleagues.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, just a very brief question. The minister keeps saying the government will comply with the court order. What we want to know and what everyone wants to know is what the government intends to do about the fact that Saskatchewan is not complying with the court order. Surely, the federal government has a responsibility to make sure that, not only it complies, but the Saskatchewan government complies. What does the hon. minister intend to do about that?

Mr. de Cotret: Mr. Speaker, I was very clear. I said that, first, the government would comply with a court order. I said that we would appoint a new panel. I said that I was freezing the payments, and I also said that the government will take the necessary steps to ensure that court order is respected.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The question and comment period is now over. Resuming debate. The Hon. Member for Hamilton East rises on a point of order.

[*English*]

Ms. Copps: I rise on a point of order, Mr. Speaker. Yesterday the minister involved told the House that he was going to come forth today with some specific action on this issue. What we have seen is a minister of the federal Crown acting merely as an apologist for Grant Devine.

• (1540)

I would like to seek the unanimous consent of the House to allow the minister in the federal government to tell us exactly what he intends to do to stop construction.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please! I must regretfully interrupt the Hon. Member for Hamilton East, but Question Period is now over. You are starting up a debate and the time for questions is expired.

Ms. Copps: Pursuant to our Standing Order, I now seek the unanimous consent of the House to continue directing questions to a federal Crown minister concerning this major issue, because we would not want him to cling forever to the apron strings—

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the question and comment period to be extended?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): I am sorry but there is no unanimous consent.

Some hon. members: Shame!

The Acting Speaker (Mr. DeBlois): I call on all hon. members to please co-operate. There is no unanimous consent. Resuming debate.

[*English*]

The hon. member for Winnipeg South Centre. Will the hon. member need 10 minutes or 20 minutes?

Hon. Lloyd Axworthy (Winnipeg South Centre): Ten minutes. My colleague for Winnipeg North Centre will be following at that point.

First, let me say with deep regret that members of the Conservative side of the House did not allow us to proceed with proper questioning of the minister. This is an issue of vital importance to specific regions of the country, my own province of Manitoba, as well as Saskatchewan. We have international commitments with North Dakota. It is a matter of serious concern to all Canadians because of the implications it has for the credibility and legitimacy of the entire federal role in ensuring proper environmental treatment of major capital projects.

To be denied the opportunity in this House to engage the minister makes it clear that the minister has no answers. He has been promising since last Friday that the Government of Canada would take all measures necessary to stop the construction in Saskatchewan so a proper environmental review could go ahead.

The government is now saying that it will establish a new panel to undertake another review, but will take no action to stop the Government of Saskatchewan which, with total impunity, total arrogance and indifference, has said, "We don't care what the federal government is going to do. We are going to assert our own rights to go ahead with this project." The minister caved in. The minister backed off.

The minister and the government have failed a major test of asserting federal responsibility, federal obligation, and federal rights. The question we have to ask, Mr. Speaker, is why? Why, when there was such a clear-cut unmistakable, unequivocal test for the federal government, does it back off?

Ms. Copps: They cut a secret deal.

Mr. Axworthy (Winnipeg South Centre): Well, Mr. Speaker, I think the answer is clear. There is a lot behind the covers. There is a lot behind the smoke-screen that the minister has not said.

We have here, for example, an agreement that arrived on members' desks today which talks about an agreement between Her Majesty the Queen, in right of Canada, and the Saskatchewan Water Corporation. I would like to read to you, Mr. Speaker, if I might, section 3 which states:

> Notwithstanding the terms and conditions contained in paragraph 1 of the original agreement, it is expressly agreed that the corporation may now proceed to acquire land and take all steps necessary to proceed with the construction of the Alameda Dam.

Section 4 states:

> Notwithstanding the terms and conditions, it is expressly agreed that the corporation may now proceed to do all that is necessary to complete construction of the Rafferty Dam.

And so on.

What this agreement really says is that, when the minister shook hands with Grant Devine back there on September 5, they had a deal.

Ms. Copps: That's right.

Mr. Axworthy (Winnipeg South Centre): They had an agreement.

An hon. member: A secret deal.

Mr. Axworthy (Winnipeg South Centre): It is an agreement which he is now attempting to cover up. I say, Mr. Speaker—and I do not use these words lightly—the minister is covering up a private secret agreement with the government of Saskatchewan to go ahead with the dam. The proof of that action is the fact that he is unprepared and unwilling to take the proper and necessary actions to stop the construction. We have prima facie evidence that this agreement in fact has already been signed, sealed and delivered, and we have a minister who will not own up to it. It is not the first time. It is not that this comes by accident because what we had

before was exactly the same kind of deal. We had a Minister of the Environment, who is late and not lamented in this House, who got up in the same way when questions were raised about Rafferty–Alameda and said: 'There is no deal. There is no agreement. I am proceeding as proper'' His own senior adviser on the environment, Miss Elizabeth May, had to resign her post to bring attention to the fact that there was a deal. The federal government had colluded with the premier of Saskatchewan to come up with a secret arrangement.

If lightning strikes once, it strikes the second time with this government. It is maddening and frustrating that on an issue that is so crucial to our constituents and to many other people in this country who believe that there has got to be a clear responsibility of the federal government to stand up against these big capital projects, the mega-projects that sort of ravage the environment, which have no test of sustainable development whatsoever, that the federal government, which is the last resort, when it meets the test, where do we find it? We find it signing secret deals, making secret accords to serve the political purposes.

We understand the political obligations of the Prime Minister and his cohorts and Mr. Devine. Mr. Devine has been his lap dog for the last two or three years: Meech Lake, GST and all the rest of it. But that is no reason why they should be so cavalier in their surrender of this very crucial issue.

I want to say this. There is clear action that this government could be taking. They do have instruments under the law. It is not sufficient to say: "Let's pass Bill C–78", because as I read Bill C–78, it will legitimize many of the actions that the minister is now taking to go ahead with these kinds of private agreements and not have the same requirement as the guidelines put forward. At least we now have a procedure that is out in the open and is more public, rather than the one that attempts to put it in the shadows.

This minister cannot get away with this bag of tricks. He will be exposed, as will his government, as being complete traitors to the cause of maintaining a proper environment. I want to say on behalf of thousands of farmers and townspeople in the Souris Valley of Manitoba, who have been seized of this issue for a matter of two or three years, who realize that they have had to rely upon these kinds of interjurisdictional controls, that this is a government that once again has failed them badly and miserably.

I challenge my colleagues from the province of Manitoba, especially my Conservative colleagues, the member from Brandon West and others, to get on their feet and denunciate this action by the minister today. He has had his chance. He has been able to dance, and bob, and weave, and slither and slide for the past 48 hours, but he can do it no longer. He has revealed himself today for the charlatan that he really is, that he has no intention of bringing an end to this project.

I believe that it is up to members of this House to start putting the pressure on and put some backbone back in this minister so he will start realizing that he is not simply there to be an apologist for a provincial government, but to stand up for the rights of all Canadians and particularly, to protect those who cannot protect themselves. There is more than the environment at stake. Once again we are putting the entire credibility and legitimacy of the political process at stake because people have looked toward this government to try to defend it, to try to act in its interest. What do we find? A government that is trying to chisel its way out.

Mr. Speaker, I want to turn over that debate to my colleague, the member for Davenport, to continue with this attack. We simply say that we cannot allow this action to continue. We cannot allow this minister to get away with the clear and unmistakable slipperiness that he tried to pass over on this House today. There are necessary steps. We call upon this government to take them.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have a question for the hon. member for Winnipeg South Centre having to do with the Manitoba situation and the refusal of the Manitoba government, the current Progressive Conservative government of Manitoba, to really take any strong action with respect to Rafferty–Alameda, given all the things that have happened.

• (1550)

It does not seem to be willing to take the Saskatchewan government to court. It does not seem to be willing to take the federal government to court over the GST like so many of the other provinces.

We see now in the post election period that the theme which often punctuated the election campaign of not too many weeks ago, that a Tory is a Tory is a Tory, seems to be coming through in spades. The Manitoba Conserva-

tive government has gone back to sleep now that the election is over. Premier Devine is able to do what he wants with Rafferty-Alameda.

The federal government is able to do what it wants with the GST and nothing is to be done by the Manitoba government, surely, something that the hon. member for Winnipeg South Centre would find as objectionable as I do.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, if I may just make a quick reply.

My wife has always reminded me never to say: "I told you so." I think in this case the hon. member for Winnipeg Transcona, my colleague for Winnipeg North Centre and myself could say: "We told you so."

We said very clearly during the course of the debate in the Manitoba election that this was a campaign of false pretence and that the then leader of the Conservative Party in Manitoba was parading around Manitoba paddling his canoe on the pristine lake. Probably the Souris River was the site of the television take-out, with a borrowed canoe no less.

It is no wonder that I am sorry about the person who will not get the canoe back, because if he tries to go down the Souris in the year to come, it is probably going to be totally corroded by the kind of pollution that would be let loose.

All I can say is that the Government of Manitoba has become fellow travellers with the government here. It is trying to protect Grant Devine. I say it is a lost cause. Let him go. He is not worth this kind of complete and total abdication of responsibility.

Grant Devine, for all his friendship and association with Manitoba and federal Tories, is not worth taking the kind of action we see today, which is to betray a fundamental stewardship of this federal government.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I sat here listening to comments that were made about a subject that back home is portrayed as a matter which has good guys and bad guys in it.

For the life of me, I cannot understand how anybody in all good conscience can stand up and say that protecting run-off, preventing flooding conditions, is in anyone's harmful interests. I look at the Boundary Dam as an example that has existed for years on a tributary to the Souris River. I see absolutely no pollution coming from this tested project.

As a result of that, Mr. Speaker, when you combine all the good that is associated with this project, one is hard pressed to believe in fact that we could be actually standing and talking here about a semi-arid area of this country, Saskatchewan, and be concerned about the storage of water. I am concerned as anyone else is of all the environmental impact statements that have been done to date.

When you consider the opportunity given to us to be partially funded in a major sense by the United States to prevent flooding, to store water, to provide for a possible increase in water tables throughout the farms, how can anyone be against it?

I ask the hon. member who has given this dissertation today: Does he not really feel that there is more than just an average amount of politics in this problem presented before us today? Is there any reality to the concerns that storing water in Saskatchewan, which has been water starved for the past number of years, is in fact not the right way to go?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, there is no doubt that there should be serious efforts made to deal with the basic problem of dryness on the Canadian prairies.

We could start by doing an awful lot more about conserving our soil problems, on which there is no action being taken. I remind him of this. He has been an active politician in the prairies for many years. I recall for him the Garrison diversion. I can recall going to Washington and having a congressman for North Dakota use exactly the same words about the Garrison diversion, that it is going to store water. It is going to give new irrigation run-offs. It is going to provide all these benefits.

The point is this: There is a trade-off between benefits and losses. We are trying to set in place in this country an honest, open system for making that assessment and trying to get governments and private industry to begin honouring that process.

When there are governments like the Government of Saskatchewan and now the federal government allowing that process to be distorted and perverted, it destroys the whole thing. What we are saying here is that the issue goes beyond Rafferty-Alameda. It goes to the fundamental heart of whether we, as a country, will be prepared to have closer, better and more careful stew-

ardship of our environment. To do that we need proper procedures and we need to honour them. We cannot tolerate the breaking of that basic responsibility.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to continue in the same vein as the previous speaker, my colleague from Winnipeg South Centre, who brought to our attention just how frustrating it is to deal with the government on issues of the environment.

Like any other corrupt government it knows what to say, how to print green papers, how to position itself, and how to buy public relations firms. It does not know how to deliver on the environment. When push comes to shove, this is the best example we have had of a government that does not care about the environment.

I am sure my colleague from Winnipeg shares with me the frustration of having a minister available to talk with us, but when we ask for a little extra time to pose a few more important questions, his colleague from Saskatchewan said: "No more questions. We do not want debate". I think this House deserves to have this question not only talked about, but we deserve to have ministers of the Crown come here to speak directly. I am sure my colleagues know this.

It is interesting to note that not only is Grant Devine being protected through this scandalous behaviour, but when you look at the senators and one story about who was appointed to the Senate most recently, there was a Senator Eric Berntson. What was Eric's big contribution to Canadian politics?

Mr. Edwards: Ah, come on. Let's be fair.

Mr. Walker: Well, if there is a second one, perhaps, during your time, you can bring attention to his second accomplishment. His first accomplishment is the defence of this dam site. It shows to what extent the Conservatives of Saskatchewan will go to promote a project and to protect their colleagues.

There is more at stake than this. When we were in the middle of the Oka debate, sometimes the House isolates one debate from the other, the government hung its whole extreme argument around the rule of law. There is a second side to the rule of law. First, it has to be applied in every circumstance if it is a real application of law. Second, it is made to protect the citizen from government, not the other way around.

What do we have in this case? We have a government official, a premier of a province saying to us: "I don't care what you guys are saying, I am going ahead with it". We talk about the rule of law. Where is the application of the rule of law here? This is one of the most fundamental trespasses we can have against the environment, against federal-provincial agreements, against the law of the land, and the government is silent. No posturing, just get out of the way and let them do it. You would almost think there is a Saskatchewan election coming up within the next year, wouldn't you? I am sure many of my colleagues from the west share the frustration in dealing with the federal government.

The only thing we can be happy about in this sad story is that the protection of the western Canadian environment has finally become a national issue. After watching one Conservative government after another in the west avoid these issues, after watching this Conservative government since 1984, support these Conservative governments and ignore the environment, finally this little postage stamp of an area has become a national symbol on how we treat the environment.

As we watch this play, we can understand that every little corner of the country is important. It is not just the big cities. It is not just the big Hydro-Quebec projects we hear about. It is these little projects that make a difference in our country. You have to stand up for each one of these examples and say to people that this little corner is as important as this big piece of property over here. We have a total environment to protect, a total country at stake here. What this government fails to recognize is the importance of these small battles, or what start out as small battles, and which should not be a battle at all. It should just be accepted wisdom as how to proceed.

Lost in all of this, lost in the bickering back and forth in the House, is the plight of the people in that area. They had their expectations raised by a government that did not care about the environment, secretly supported by the federal government, which also has not shown much care to this whole thing. Between them, they set out a deal and told the people in the area of Estevan and surrounding communities that they would be helped out through this dam project.

The government did not talk about the protection of the environment. It did not talk about things we put at risk. It did not talk about the new rules in Canada. It did not approach the environment in the way that has been talked about elsewhere. It just talked about how they could swing this one through because no one would pay attention. There are jobs at stake. There are people who make technical investments. They make large investments in trucks and yet, the government will not tell the whole story. There is a lot of bitterness created in small communities across Canada when these environmental conflicts come up. It is our responsibility in the House to tell both sides of the story, to make sure people do not get hurt, and to help people understand that their environment is as important as other people's environment and that we have to work together.

• (1600)

It does not matter whether we are talking about a small farming community. I originally come from a small city, the city of Sudbury, and I know what it was like to have thousands of jobs put at stake by people saying: "Oh, if you don't do it this way, we are sorry about the environment but you know all your jobs are going to be lost."

We cannot hold people's careers, their individual families, and their investments hostage because they are afraid they will lose everything if a certain project does not go ahead. It is up to us to set the standard in the public sector so that we can protect the environment and protect communities at the same time. We cannot use scare techniques. We cannot try to hide our mistakes in a small corner of the country saying this is so small that no one else will notice. We have an obligation through federal regulations and federal legislation to make sure that every part of this country is protected at every point of the way.

I will end my remarks by reminding the House just how severe this travesty is. We have asked the government time and time again: "Are you sure you have a deal with the provincial Government of Saskatchewan that will hold? Are you sure that we can rest safely and that this environment will be protected?"

Each time one minister after another—and goodness knows there have been enough ministers of the environment trying to help them out over there— has said: "Don't worry, you people are just raising all sorts of fears", and we find out once again that our fears are minimal compared to the damage to be done to the environment.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is indeed a privilege for me to speak on this subject that has had so much attention.

I represent the area in which the Rafferty–Alameda dam is located and have had the privilege of doing so for 11 years. I want to set the record straight for the people of Canada, and especially for opposition members in this House, about what we are dealing with. Unfortunately I see they are leaving, but I think we need to hear this in terms of sustainable development for our country and a set of guidelines that will lead us into the future.

The area that I serve and that the Rafferty–Alameda dam is in is a very dry area. I happened to be the chairman of the task force on drought during the most severe drought period that hit our country, with the exception of probably the 1930s. We are a semi-arid desert area in western Canada and particularly in southern Saskatchewan. If there is any place on earth that needs water, it is southern Saskatchewan. Our rainfall is approximately 12 inches a year and when we have drought years, 5 and 6 inches a year.

There is something very significant about what has happened in dams in Saskatchewan. First of all when the Gardner dam was built there were those who were against it. When the Diefenbaker dam was built there were those who were against it. Those dams turned out to be very profitable for Saskatchewan; just ask the people that live near them.

In terms of what has happened in the history of Rafferty–Alameda dam, Alvin Hamilton tells me that it has been studied since the early 1900s. This issue has been studied to death.

The hon. member from Winnipeg mentioned the Manitoba area. I want to suggest that when the Minister of the Environment came out to view the project—and I want to commend him for doing that— many towns, villages, and municipalities from Manitoba were represented. There was not a municipality, a town or a village in the area from Saskatchewan that was not represented. People on all sides of the political spectrum support the

Rafferty-Alameda dam. The past MLA for the NDP supports it. The past MLA for the Liberals that represented the Estevan area support it. People from all parties support it. What is the problem here?

We need the water to cool Shand power station. We need the dam for flood protection in run-off years because the situation, when there is a heavy run-off, is that the water comes all at one time and then the river dries up completely.

There has been a lot of talk about the fish. We are certainly concerned about fish. My farm is six miles from the dam. There are very few years when one cannot walk across that river absolutely bone dry, and any fish that would happen to be in that river would die. One of the very difficult things that we have seen here in debate in committee, in this House, and across the country is that we have people talking about a subject and a situation about which they have absolutely no understanding.

I would like to emphasize for all Canadians, for the House of Commons, and for all those who will have a part in bringing about sound sustainable development to our country: don't take advantage of an area by commenting on situations of which you have no understanding just to make political points. It simply does not count. What really counts is the facts. If we are going to have good sustainable development for the future, let us put some guidelines in place such as the ones in Bill C-78 that will do just that.

What happened with the EARP guidelines? I want to make the following point: no one has said that Rafferty-Alameda is not environmentally sound. What we are arguing about here is the guidelines. The people in my area feel betrayed. We feel we have become guinea pigs for the rest of the country on the guidelines. Let us get down to earth and EARP the earth, if you will, and get on with the new guidelines as the minister is trying to do. Let us put into place a set of guidelines that is going to work for all Canadians and not penalize a few in one area, which happens at this time to be the Rafferty-Alameda project.

What is the history of the EARP guidelines? I understand that they were brought together in a hurry at the end of the administration of the Trudeau years, in the last two weeks. There are those who have admitted to writing them in a hurry to get something on the table for the then Prime Minister. These guidelines were ill conceived. They have not worked. Add to that the fact that we have grown 100 years in terms of environmentally sound thinking. The project that was in place is caught in the middle of it.

There was a time the provincial government put in place the guidelines and we moved by those guidelines and that was it; the federal government accepted it. Maybe that time is well passed and we need a new set of guidelines, but let's not penalize the Rafferty-Alameda dam just because there were a poor set of guidelines.

Again I want to emphasize that people have been talking about a project of which they know nothing. I hear the Manitoba people, people from the town of Melita who have come down to meetings in Estevan, supporting it in areas where they have had flooding. The people of Minot, where they have had their homes flooded out, have come down supporting it and saying that it is environmentally sound and that it is good for the area. What is the problem? Let's get on with it.

You might say the people of your area are against environmentally sound practices. There are very few meetings that I have not attended. Time after time I would hear our farmers say again and again: "Look it, we are environmentally conscious". They are probably more conscious than many other areas of the country.

• (1610)

One farmer from Oxbow said: "I knew exactly how many deer were in the valley. I know how many birds' nests there are. I see them". These, I should say, can be mitigated and will be mitigated with other areas around the dam that will allow nesting and so on. Nobody has argued with that. Again it is back to the guidelines.

Our people are environmentally conscious, and this is a project that is environmentally sound. I dare challenge the rest of the country. There might not be too many projects that are as environmentally sound as Rafferty-Alameda.

I do not want to throw stones at anybody in Ontario, eastern Canada or anywhere else, but there are some major environmental problems in Canada that are much more serious than anything that will ever happen at Rafferty-Alameda. This is in my opinion. In the opinion of those who have studied it and in the opinion of the judges we are not dealing with the environmental aspect;

we are dealing with the guidelines. Let us get on with the guidelines, settle it and get it done.

What about the frustration of our people? One member of the opposition did mention the frustration. This has been a most frustrating thing for our people. It has been on again off again and there is the economic impact of that kind of situation. It is simply not fair.

What we are asking for in our area is fair treatment. We are asking the minister to proceed with Bill C–78 and put into place a new set guidelines that will do away with the past guidelines that were not working. Then it will be a new day for Rafferty–Alameda and a new day for sustainable development in Canada. We need it. Nobody will argue that. Nobody is arguing that we do not need some reasonable guidelines. We do need them.

I challenge this House and Canadian people. I want to say one more thing before I sit down which I emphasized. Don't pass judgment on a project that you do not know anything about if you want good, sound environmental guidelines. That goes for Conservatives, Liberals, New Democrats, all Canadians. We want to see a future for our children that will have sustainable development and a healthy environment to live in. We all want that. Somehow we have been painted in Rafferty–Alameda as being something else than environmentally sound in our thinking. That is not so.

I believe that we have piloted for the rest of Canada. May I say on behalf of my constituents that we have endured at times ridiculous assault on what has been said and done on this issue. I beg you in this House and I beg all parliamentarians to let some common sense prevail and let us do the right thing. With a new set of guidelines in Bill C–78 we should forge ahead for the betterment of not only Souris, Moose Mountain and Rafferty in southern Saskatchewan, an area that needs water, but for all Canadians.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I appreciate the passion with which the hon. member speaks. He has spoken to me privately about this before and I know how he feels about it, but let me just take some of the things that he has said. In a way, he is reinforcing the view that we have been putting forward in the House today.

He says that no one should pass judgment on this project unless they know something about it. All we are saying is that we have a process for passing judgment on the project that is designed to bring in people who will treat the matter with some objectivity. That is the environmental review panel. It is this panel which has now resigned because the Saskatchewan government continues to build the project, in spite of the fact that the review is going on. It is one of the reasons given for the resignation of the panel. It is not the dam itself that many of us are against. You spoke about the larger picture and problems that exist elsewhere in eastern and central Canada. I agree. But what is at stake at Rafferty–Alameda is how we deal with environmental questions and what kind of precedents we set.

In terms of your own statement about who passes judgment on these projects, we are saying that you cannot have a process set up to pass judgment on a project and at the same time have the project going ahead. Your own minister has just appointed another panel or says he is going to appoint another panel. Why? To pass judgment on the project. So how can you possibly get up and defend the fact that the Saskatchewan government intends to continue building the project while that very judgment that you say you want passed is in the process of being developed. That is the question. It is a question of process not a question of whether that area needs water. We all know it needs water. It is not a question of whether you care for the environment. We know that you care for the environment. It is a question of due political process.

Mr. Gustafson: Mr. Speaker, I want to thank the member for that question and I would like to explain exactly what has happened in the process.

First of all this project has been studied many times, but let us just deal with the last study in which the committee was put in to review in early February I believe. It was five months before that committee got down there, at a cost of $450 per member of a five–man committee per day. I think, in terms of process and guidelines, there should be some time limits, some

reason to these kinds of things, not just a direction to hold the project up.

These guidelines should be very carefully laid out. My understanding is that they are laid out in Bill C-78. That is exactly what I am speaking of.

I think you would agree with me, Sir, that we, as representatives, are to be custodians of the Treasury which the people of Canada put in our hands. They have told us: "Let us do it in a reasonable way and in a respectable direction".

In our area in five months we plant a crop, we see it grow, we harvest the crop, and in normal years we market a crop. It is pretty hard to explain to my farmers and the people in Saskatchewan that a review committee cannot get down to see the project in five months. It is very difficult.

Mr. Funk: It is your committee, Len.

Mr. Gustafson: It is very difficult, very difficult. The opposition is making accusations here. Let those accusations be made. I am not here today to make accusations. There have been enough accusations. There have been enough politics in this situation. I want to tell you that the local wildlife people support the project, and some of them quit their jobs with the wildlife organization because of this issue.

An hon. member: Not all of them.

Mr. Gustafson: Not all of them. I am not saying all of them, but those on the local scene did. This is the point that I make. Let there be a committee set up under guidelines that will review the process, but do not penalize an area because some cheap political group wants to take advantage of a project for its own benefit.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have an interest in this because my grandparents were married in Melita and travelled by cutter on December 4, 1894, to the Gainsborough area. They settled later in the Oxbow area, leaving behind I think close to a hundred descendants in that area now—most of whom I am sure vote for the hon. parliamentary secretary but, also, some of whom are New Democrats. I am sorry to say to the member for LaSalle—Émard I do not think there is a Liberal in that area at the moment, but when he comes to lead his party that may change a little bit.

• (1620)

What I have heard from them, including the New Democratic relatives, is that the farmers of the area, the townspeople of the area see the merit of this proposal and that there is strong local demand for the project to go ahead. I want to ask the hon. parliamentary secretary whether there is majority support for the project in his constituency and in the area affected?

Mr. Gustafson: Again, I would say that 95 per cent of the people support the project, regardless of the political implications. As I said earlier, the former MLA for the NDP supports it, the former MLA for the Liberal Party supports it. I do not know of a reeve of a municipality or a mayor of a town who does not support this project, irrespective of politics. This project is needed. It is environmentally sound and it has unanimous support in that area. There are a few who do not support it, sure, but they are very, very few.

Again, I appeal, let us do the right thing. Let us move along with Bill C-78, bring in a set of guidelines that are workable. I believe it is our minister's intention to try to do that and I compliment him for it.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we are talking here about the integrity of the process. If indeed the project is environmentally sound, as the member keeps alleging, why is the government not prepared to insist that there be a process in which the rest of the country can share the member's confidence?

What we are talking about here is whether the rest of the country will believe what the member seems to think is a matter of faith. It is quite conceivable that we could have a process that could determine that this project be stopped until such time as the panel reported, in which case the rest of the country could have the confidence that this member has. I can tell you right now, Mr. Speaker, that the rest of the country does not have that confidence.

Mr. Gustafson: One of the reasons the country does not have that confidence is because the opposition and people who do not know what they are talking about have been sending the wrong message.

Mr. Caccia: Explain why the panel resigned then.

Mr. Gustafson: Mr. Speaker, if I may answer the member's question, there is a special standing committee which I have been sitting on. The special committee has been hearing witnesses with regard to Bill C-78, which is in fact exactly what he says, the kind of guideline.

What I am saying simply is do not harness this project with the ill-fated guidelines that were brought in by his government in a hurry at the end of the last Liberal administration. They do not work. Let us be fair and move on, EARP the EARP as it were, bring in the reasonable guidelines which are in Bill C-78, which the minister is trying to do and proceed with the project.

Hon. Chas. L. Caccia (Davenport): Will the parliamentary secretary tell this House whether he fully supports his Minister of the Environment?

Mr. Gustafson: I was very pleased when at our request and the request of the premier of Saskatchewan, the Minister of the Environment, newly appointed to his position, came to Saskatchewan. We had been asking again and again for someone to come and look at the project, just come and look. He came and looked at the project and he heard from the people.

He has moved ahead on Bill C-78 to bring in those new guidelines. As far as I am concerned, the quicker the better. Let us get on with the project.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is indeed a privilege and an honour to be involved in this debate today.

I think it is a very important debate. In many ways, it has been one of the most substantive debates that many of us have heard. I think the interchange is certainly up and sharp. It is incisive. Also, it has led to some new points of view being put on the table and argument being joined.

In responding to some of the things that the members of the government have said, I would like to say that the member from Souris—Moose Mountain is not what I would consider or describe as one of the political hoods who has been involved in this whole process.

I think he genuinely tries to represent his constituents in a straightforward kind of manner. He has certainly dealt with me and others among my colleagues in that kind of manner. We have talked about this.

Nevertheless, I think we do have a fundamental difference of opinion in this case. I realize the frustration of his constituents. That certainly is a dry part of the country, there is no question about it. This has been an on and off project, something that has been talked about. Now it is in a pretty active phase for some time.

It is hardly surprising there should be local support for an initiative that presumably would solve some long-standing problems and create some economic activity at a time when there is very little in our province. The rest of the economy is shot.

I think the hon. member should remember too that even in Saskatchewan we have had previous examples when what we assumed to be sound and long talked about projects were completed and they did not turn out to be quite the way we expected them to be.

Certainly the Diefenbaker dam, or the Gardiner dam at Diefenbaker Lake was long anticipated and carefully planned. Nevertheless, the full potential that people envisioned for that particular development has never even come close to being realized in terms of benefits to the agricultural community.

Furthermore, in my own constituency, we have the effects of what used to be popularly called the Squaw Rapids dam, now the E.B. Campbell dam close to Nipawin which it was never envisioned would have any extreme downstream effects.

Nevertheless, it has cleaned out the Cumberland delta, formerly one of the most productive fur and wildlife bearing areas in North America. In fact, it was the site of the first Hudson Bay post. There used to be about 10,000 muskrats trapped every year in that particular area. Now they are lucky if they can get 1,000.

These are the kind of effects that have flowed from previous efforts of dam building in the province. So we have to look at these things carefully. Even documents that are on the record say that if this project had been built in 1912, it would not have filled up until 1946.

There is some question about the environmental soundness, whether a dam of that volume and scale is the proper thing. As my colleague from Regina—Qu'Appelle mentioned, there is some question about the wisdom of building another coal-fired plant at a time when we are supposed to be thinking about CO_2 emis-

sions. We can buy power cheaper, for example, from other sources such as North Dakota and Manitoba.

There are some legitimate questions to be asked here. Certainly local benefits are legitimate, but so are some of these other questions. When challenged, the courts have found that some of these questions had not been properly addressed. That was the opinion of the court.

As a result of that, we had a process put in place whereby a review or process had to take place, or the licence should not be proceeded with. Clearly the action of the review panel in resigning makes it obvious to all of us. I do not think the hon. member is even arguing that what is happening is in contravention of what the court order said. Something has to happen.

I guess that is where I would like to turn briefly to the remarks of the minister, which had to be one of the most disappointing performances that I have heard. Certainly, he stood up and tried to address the issue. In the end, what did he really say? He said basically that, while the easiest way may be to lift the licence, he does not have the authority to do that because there is no breach of the 22 terms and conditions. That flies in the face of everything I have seen in those 22 terms and conditions. He said it would give Saskatchewan time to comply, but that it would take too long.

• (1630)

But then he said that since he has a court order, he is going to reappoint a panel. At one point he said that he would take the appropriate steps, and then the necessary steps to make sure that construction does not proceed. He said that very clearly. He was challenged numerous times. When we wanted to challenge him some more, some of the hon. members opposite, including three from Saskatchewan, spoke up. I believe it was the Minister of National Defence who said, no, questioning should not proceed. What are these necessary and appropriate steps? We do not know.

The minister says he is not going to lift the construction order and that he is not going to stop the project by that means, but he says that the government is going to take necessary or appropriate steps. Surely the hon. member's constituents must be wondering what is going to happen next. The minister's own government has put him in as bad a position as any opposition member could have possibly done.

Mr. Gardiner: With help like that from your friends.

Mr. Funk: Yes, with help like that from your friends, you really do not need any enemies.

I guess what really sticks in people's craw here—and I think the member knows it—is the whole political taint to this thing.

This is in the Premier of Saskatchewan's home constituency, after all. The gentleman is in deep political trouble, as everybody knows. The Alameda Dam is in the constituency of a new senator and that whole Senate appointment phenomenon is not only a legal cloud, but certainly a political cloud as well.

The president of SaskPower Corporation, who is also from that area, a former president of the Progressive Conservative Party of Saskatchewan, was quoted earlier in the House as having made a speech in which he said that the senior level bureaucrat in the Department of the Environment had assured him that everything was looked after essentially in terms of the environmental review process. It does not look very good I would like to say to the member for Souris—Moose Mountain.

It looks like we have had whole series of secret deals. First came the one that Elizabeth May unmasked. We have never really seen what is in that January, 1990 agreement. There was also the September 5 oral agreement.

I would like to read briefly from an article in *The Globe and Mail* which states:

> On Sept. 5, 1990, Mr. Devine and the current federal Environment Minister, Robert de Cotret, met in Ottawa. Mr. Devine said the pair orally agreed to alter the terms of the Jan. 26 deal: the project could go ahead and $10-million was to be set aside to alleviate any adverse environmental impact afterward. On Sept. 10, Saskatchewan sent the terms of the new agreement to Mr. de Cotret by facsimile machine, but it says it received no response.

I think that is a very crucial point here, because after that the environmental review panel quit and really threw light on this whole situation. It drew attention of the public, the media, and the House.

What we actually see here is that this deal still stands. It would have been much better if the minister had stood in the House and at least had the nerve to say: "Yes, I cut a deal with Grant Devine to save his political hide and we are going to keep fiddling around here till this thing is done and nobody can do anything about it." Instead, he got up and vague made threats about appropriate and necessary steps.

With that, Mr. Speaker, I would like to say it has been a pleasure to be involved in this debate. I hope the right thing is done in this case.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time alloted for questions and comments is limited to five minutes. Resuming debate.

[*English*]

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to join in the opposition day debate today on a New Democrat motion moved by the member for Regina—Qu'Appelle. He has spoken in the House on numerous occasions during Question Period and in debate today. He has, as well, spoken about the impact of the lack of action by the Minister of the Environment as it relates to the Rafferty-Alameda Dam project. I also wish to refer to some of the comments from the member from Winnipeg who spoke so eloquently.

We are just asking for some simple yes or no answers, Mr. Speaker, which we have not been able to get from the government so far. Let us make no mistake as to what this debate is about. This is a debate about what kind of proper environmental assessment review process procedures we should have in the country. It is a debate about the failure of the 1984 guidelines that were developed by the then Liberal administration and the failure of the government and the members opposite to live up even to those guidelines. It is about the kind of projects like the dam project we are talking about today and others that I would like to comment on because they relate so directly to this debate on the proper assessment procedures we really should have in Canada.

I will get to that in a minute. It is important to understand that inviting some people down for coffee and doughnuts is no substitute for a proper environmental assessment review process. We have heard, during the debate today, about some of the deals and the handshakes made by the Minister of the Environment with the Premier of Saskatchewan on this particular project and the squirming that they have had to try to see that this project actually gets through, whatever kind of review process that we have.

I have two examples that I would like to cite to give some examples of the confusion that we have from the government opposite on two projects and, as well, to comment on where we should be going in regard to environmental assessment. After all, as one of the previous speakers said, any good, corporate citizen and any good level of government will be prepared to subject their projects to due process, an environmental assessment review process, with some time frame and guidelines built into it. Nobody is suggesting that something has to be dragged out forever.

What we are talking about is a fairer process, one that informs and advises all participants—proponents, local governments, Indian bands, trade union movements, and environmentalists—so that all have their opportunity to have their say. If we look at the record of people who are active now in the environmental movement and the trade union movement, when making submissions—dare I say even industry—everyone is coming to realize that nothing gets done these days unless proper assessment is followed.

Let us just talk about those two examples. The first one is one that has a little story to it and it points out the confusion there is in the ranks of the government.

On a trip back home to my riding some time ago, I was speaking at a forestry conference and someone asked a very good question of me. The question was: "Mr. Gardiner, since it is in the EARP guidelines that any federally-initiated activity should have an initial assessment done under the Environmental Assessment Review Process Guidelines, was that done with the forest agreements?" I have spoken in the House before about how, despite previous commitments from the government to sign those tree-planting agreements, we do not have them. But I thought, what an interesting question. Here is what is generally thought to be a positive move by government. When we finally get some tree-planting agreements, whether they are in the Green Plan or what

have you, have they been determined by the government to be properly evaluated?

In the Committee on Forestry, when the Minister of Forestry appeared, he said, to the committee: "No, we have not done that, Mr. Chairman." So there was a bit of a gasp. Here is the federal Minister of Forestry admitting that he has not even followed his government's own guidelines. Then, one of his officials kindly interrupted and said: "Well, Mr. Minister, actually they have been evaluated. We do have some initial assessments done of the forest agreements." Of course, I used my opportunity jump in and say: "Well, that is good. Let's table them. Let us take a look at them." It should be good news. Generally speaking, tree-planting agreements are good news for all of our country.

• (1640)

It took a few letters from the Clerk to the minister and some officials to find out where these initial assessments are. The minister said that they did not exist, but then was told by his officials they did exist. It took a bit, but we finally got a letter. It was one of those "I regret" letters which advised me that no, this was not done after all. It was a case where the minister was right for all the wrong reasons. It shows just how much confusion there is in the government's own ranks in what could potentially be one of the most important departments in the country, the Department of Forestry.

I will move now to a question I had on a statement in the House today with regard to the Alcan Kemano Completion Project in northern British Columbia and the decision of the government on Friday to exempt that project from the environmental assessment process. It is incredible!

The Prime Minister, when he was Leader of the Opposition in 1984, made an unequivocal commitment that that project would be subject to some kind of environmental assessment through due public process, with public hearings and what have you. We have had a few coffee and doughnut sessions, but that is about it. We have at least one retired fisheries biologist and another expressing his concern and opposition at the time and he was familiar with others.

A retired official spoke at a meeting in Vanderhoof in my riding on May 26. I would like to put this on the record because it is an incredible allegation that I advised him was a serious one. I raised it in the House today and I have written to the Minister of Justice to ask for an investigation. This is with regard to a project which is massive in scope. It will reduce the flow of the Nechako River, a major tributary of the Fraser, in some cases by more than 50 per cent. It likely could impact the Fraser River by a reduction of as much as three feet in flows at certain times of the year. This is a massive project which Ministry of Environment officials from the province of British Columbia are now expressing their concerns about the settlement agreement, the federal-provincial Alcan Company agreement. Of course, the regional district is expressing its concerns.

I do not know how many of you have read *The Omineca Express/Bugle* of September 12 in which there is a report on the engineering study which lists a host of the other problems resulting directly from the settlement agreement, which the government insists does not have to be subject to an environmental assessment. This is it for those people who are concerned about this debate and this issue. This is what it takes, one page, one 8-1/2 by 11 sheet of paper to say that the environmental assessment and review process guideline order does not apply to the project known as the Kemano Completion Project. It goes on to mention a couple of dates, and what have you.

It is incredible because the allegations now being made by retired fisheries biologists leave me to believe that the same confusion in the Department of Forestry and the confusion we have over the Rafferty-Alameda, shows that the government is out of control when it comes to environmental assessment. I will read the quote, Mr. Speaker, and then just quickly wrap up. I am quoting from *The Prince George Citizen* of May 28:

> "I think this is a classic example of how to abandon a resource. It's a classic example of how to misuse scientists. And it's a classic example of getting public servants to put a good face on a bad decision,"—
>
> "This department may well be ready for an examination of the way it does business."

There is no better reason to have a full environmental assessment of that project than some of those quotes and comments from that former Fisheries and Oceans biologist who is expressing his concerns about how this is proceeding.

In closing, Mr. Speaker, I appreciate the opportunity to make some comments about environmental assessment. I look forward to the debate on Bill C-78 and hope government members opposite are listening so that we can be assured we will get good assessment procedures in the country, not the environment circus we have now.

Hon. David MacDonald (Rosedale): Mr. Speaker, I welcome the opportunity to participate in this debate.

It is an important one and one that has looked at the issue for some time. It is important to look at it from the standpoint of how we ended up in this situation.

The situation we find ourselves in today with the Rafferty-Alameda project is largely, I believe, a result of trying to apply retroactively a process that was designed as a planning process. It was attempted to be applied as a planning process but under ambiguous guidelines open, obviously, to a variety of interpretations. This is clearly an unacceptable situation for all concerned. There is no question, and we have seen this repeatedly in all of the polling and reaction of Canadians on every occasion, that Canadians want their environment protected. They need confidence that the government's policies and laws are clear, consistent and predictable. Steps have to be taken to clarify the confusion in which we find ourselves today.

We have already heard eloquent testimony in the House from my colleague and others about the significance of this project and of the commitment there is to maintain the integrity of the environment. We have to take steps to clarify the confusion in which we find ourselves. This government has already taken those steps and, at the same time, is advancing the whole field of environmental assessment world-wide. One must look at the context in which this particular issue is being dealt with. This is not a government that has avoided discussing or dealing with environmental matters. Consistently, through a series of ministers, it has taken the lead.

Environmental assessment as a planning tool has been practised by the Government of Canada since 1974. It has been used to predict the potential environmental effects of proposals requiring a federal government decision. This process was updated in 1977. Perhaps the most important thing for the purpose of this debate was the reinforcement of that in 1984 when the Environmental Assessment and Review Process guidelines were issued by Order in Council. I will not dwell at length on the timing of that.

Mr. Caccia: Good Liberal initiative.

Mr. MacDonald (Rosedale): It was a Liberal initiative, and I am grateful to my colleague for reminding me of it.

These processes were never adequately implemented because a series of Liberal governments were not clearly aware of or perhaps, if I dare say so, fully committed to environmentally sensitive planning. There was certainly, and my colleague opposite will know, no substantive legislative framework for these guidelines. The process was never more than a cabinet directive until 1984, and not adequately funded by government and not consistently implemented by government departments.

Since 1984, it has been very difficult even for a government such as the one I support, dedicated to environmental values, to fully implement these hastily conceived, ambiguously-worded guidelines introduced as perhaps, one might say, almost as a deathbed repentance in the dying days of that particular government.

In fairness, perhaps the government of that day did believe, as did this government, that the Federal Court guidelines on the Rafferty-Alameda project, the EARP guidelines, were just that, a set of guidelines to be interpreted pragmatically and reasonably. As a consequence, variations in interpretation could be expected and tolerated.

I think it is a little bit much for anyone to believe that the Government of Saskatchewan would have entered into and commenced to the extent that it did, believing that it would ultimately be found to be in contravention of clearly-defined guidelines. That does not sound reasonable.

As a further consequence, it could be expected that given the nature of these guidelines, there will be differences in interpretation, as has happened in the Rafferty case. It was not anticipated, and I would be interested to know if my colleagues opposite would contradict this. It was not anticipated or expected that these differences would be interpreted with the force of law. Even before this became the problem it is today, this government that I support recognized the need to place

its environmental assessment process on a strong, clear legislative footing.

• (1650)

In 1987, three years ago, the government asked the then Minister of the Environment to consult the public on the need for and manner of reforming the environmental assessment and review process. The minister issued a green paper to serve as a basis for that consultation. Six months of public meetings were held in major centres across Canada, followed by a national consultative workshop in March 1988.

Broad consultations were held with a wide spectrum of Canadians, including governments, the private sector, native peoples, environmental special interest groups, legal profession, and environmental assessment professionals. I think a very comprehensive approach was taken to ensure that there would be a clear, strong, legislative foundation. Participants in the consultations called for an accountable and administratively simple process based in law that is effective, efficient, fair, and open. I trust that all members in this House would agree with that.

The government has responded clearly and strongly to the needs of the country and of the Canadian people. The key elements of these reforms is in fact a proposed Canadian environmental assessment act, for the first time a comprehensive legislative commitment to good decision-making.

While the focus of our debate will be on the legislation, and I understand that will be continued tomorrow, I wish to point out to members that the government is going even further, not just providing that legislation to ensure this package fills the needs of Canadians today.

We are not stopping simply with the introduction of C-78. Beginning immediately the government is requiring that environmental factors be integrated into all government policy decisions. That I would say, Mr. Speaker, is an unprecedented step. I cannot overstate its importance to government decision-making.

Certainly this is a matter that my colleagues on the environment committee have considered very carefully, believing that it is a very important aspect of contemporary government responsibility and accountability. Government policies are often the determining factor regarding what economic development projects are conceived and implemented across Canada. If the policies are not environmentally sensitive, it is much more difficult to ensure the resulting projects will be, even with tough assessment legislation such as we are introducing.

Henceforth, therefore, Mr. Speaker, all decisions of cabinet will require the potential environmental effects to be assessed and considered. If the members opposite want to ask questions at the end, I would be happy to try and answer them if I could.

To help build public confidence that this is being done consistently and well, the responsible minister will be required to make a clear statement about the environmental effects of the policy initiative at the time it is announced. I want to stress again that the fundamental issue here is that we are dealing with a project after the fact and with a process that was flawed from the outset. If we do not acknowledge those two things, we are really not dealing with the essence of the issue.

Also, to help ensure consistency and to enable the public to see the rules under which government is functioning in this regard, the Minister of the Environment has been asked to develop a set of clear guidelines for use by all departments and the Privy Council Office has been asked to amend cabinet procedural manuals accordingly.

Mr. Speaker, I had the advantage briefly many years ago of sitting at that cabinet table and knowing of the kind of criteria that apply. It was certainly not the practice then and I am sure it was not the practice of the government that succeeded it, but now we are being advised that in fact these cabinet documents must require, must have, that kind of environmental assessment.

Further opportunity for public scrutiny can be reinforced by the House of Commons Standing Committee on the Environment which I have the honour to chair, and which can then request any minister to appear before it to explain the environmental implications of any new policy or program. The government will certainly encourage and welcome this form of public accountability.

I think we must remember that it is not just enough to have guidelines. It is not even just enough to make sure they are clear, that they are public.

There must be a way in which the public itself can call to account policies, programs and those ministers who are responsible so that there can be an ongoing dialogue. Certainly, there is nothing static about this process of trying to have an environmentally sound approach. There is a great deal we have yet to develop and to learn in this process.

I believe the steps that are incorporated both in Bill C–78 and along with it are great steps forward, ones which are virtually unprecedented both in Canada and even outside our country. We do not hide the fact that neither we nor any other country in the world have all the techniques fully developed for environment, economy integration and policies. We are still at the early days in developing these approaches, but we are sincerely committed to doing as well as can be done and, in some cases, to taking the lead in the situation.

Leadership almost always requires breaking new ground and having the strength and resolve to do it. A second, vitally important element of this reform package is a consistent and predictable program of financial assistance to participants and public reviews that will be required under the process set out in Bill C–78 and, for that matter, any public reviews that may be undertaken under the present regime until Bill C–78 is able to be implemented. This is going to be introduced immediately the funds are approved by Treasury Board. We have learned over the years that whenever financial assistance is provided to review participants, the issues will certainly be more cogently debated and the results achieved much more satisfying to all concerned.

It is not just that we ensure that all necessary points of view are fairly represented in front of this environmental review process. It is that the best information becomes available. That point is sometimes missed. The funding is usually directed as a matter of priority to communities and individuals most directly affected by the proposed development.

This enables them to study and understand the issues thoroughly, and to prepare well considered submissions to the review panels. It minimizes antagonistic rhetoric, and encourages and promotes useful dialogue.

For each public review, the funds for this purpose will be allocated according to strict criteria and on the basis of applications submitted. Allocation decisions will be taken by special committees established for each review made up of credible individuals largely from outside government to ensure the independence of the process.

Again, this I would say is virtually unprecedented. The only government that I am aware of that has attempted this is The Netherlands. It is the only other country that we know of that has such a public review participant funding program. I think we should not lose site of the fact that once again we are attempting to break new ground in this very important area.

I hope that this will build partnerships among decision makers and those affected by these decisions. Mr. Speaker, as you can see, even though we know that Bill C–78 is a strong, comprehensive piece of environmental assessment legislation, we are not letting the matter rest there.

Just a few minutes ago, the minister indicated that he certainly welcomes any improvements to the present package of Bill C–78, which members will have a chance to address tomorrow.

The additional initiatives that I have added this afternoon clearly demonstrate to the Canadian people that this government is strongly and irrevocably committed to making all its decisions based on sound environmental criteria and to ensuring that the affected public has a fair, reasonable and open opportunity to ensure that the best decisions are taken.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I listened with amazement to the hon. member's speech, speaking in such laudatory terms of a government that I know he supports, but he must do so with qualms and great nervousness on an issue such as this where the government has clearly failed in its obligations.

I listened in vain for words that might indicate his position and the position of the party of which he is a member, the Conservative Party, on the motion that is before the House.

I thought perhaps he was making a speech on Bill C–78. I know there is a rumour that it may be called by the government for discussion tomorrow. Whether it is or not today we are not discussing Bill C–78. We are discussing a very specific project and we are discussing in fact a very specific motion which states:

> That this House urge the Minister of the Environment to revoke the Rafferty–Alameda project licence and use all federal authority to prevent Saskatchewan from proceeding with project construction until

an independent environmental assessment panel has completed its review.

• (1700)

I thought in a speech on a motion of this kind the hon. member, who after all is a Privy Councillor and very knowledgeable in these matters, might have told us what his position is in respect of the motion; but I did not hear him say that. I wonder if he would tell us whether or not he supports the motion and, if he does not support it, why he does not support it.

Mr. MacDonald (Rosedale): Mr. Speaker, it is too bad the member was not here earlier and did not hear the minister's speech. If that were the case, I suppose I could have taken my time simply to repeat what the minister has said. It seems to me he has upheld—

Mr. Milliken: Do you agree with the minister?

Mr. MacDonald (Rosedale): I do agree with the minister, yes. I would hope the hon. member for Kingston and the Islands also agrees with the minister. If he does not agree with the minister, I would like to know in what way.

It seems to me that we have two responsibilities with respect to the situation in Saskatchewan. One is to ensure that the environmental review process ordered by the courts is completed. That is exactly what the Minister of the Environment said he would do.

I do not know whether or not the member for Kingston and the Islands opposes that process, whether he wants the courts to reopen the question, or whether he does not want to proceed with the panel that the minister has proposed to appoint again. If he does not support that, then perhaps he should be responding and explaining to me what his alternative is.

I thought the minister made it very clear as to what he would do. I think that the member for Kingston and the Islands should perhaps explain why he would be opposed to the project if in fact the environmental panel completes its work and gives it a clean bill of health.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I listened with care to the hon. member's speech. He used, as is his right, the motion before the House today to talk more broadly about Bill C-78 and the environmental assessment review process. It is important because this Rafferty—Alameda situation is indicative of the problems and the flaws that have developed in the current process. It is that process and this motion, which is so well crafted by my colleague, that I think we are debating here today.

I would like to ask the hon. member whether or not he is going to be urging the Minister of the Environment to ask for a return of the federal funds, our tax dollars that have been allocated for this project, from Saskatchewan because it seems to have accepted that federal compensation under rather dubious circumstances. That is one question.

The second question refers to his assessment of Bill C-78 generally. The briefing notes for the legislation say one thing. It seems to be quite an attractive package, looking at the briefing notes, but on closer examination of the legislation it does seem that the government is saying one thing in the briefing notes and doing exactly the opposite in the legislation. I would ask for his comments on that.

Mr. MacDonald (Rosedale): Mr. Speaker, first of all on the member's question about the funding that has been provided to Saskatchewan, if she were to look at it for a moment, she would see that this whole process is so upside down that people trying to sort out what is the correct responsibility would have a great deal of difficulty. The fact that the project could have carried on to the point that it did before a court order suggested that because of the environmental concerns it should be put on hold. It seems to me that this in no way is going to contribute either to the elaboration or the enunciation of environmentally secure projects or build much public confidence.

I have not heard anyone on the other side of the House deal with the substance of the project itself. I have heard most people deal with it in the context of the various decisions that were taken.

I think it may be useful—and I know that one or two of my colleagues tried to do this—to look at the project from some kind of an objective basis. Whether or not funds were allocated in a way that was not responsible is not possible to tell at this point. We have to allow the environmental review process to complete itself before determining what further federal responsibility there will be in the situation.

Turning to the second question about the difference of interpretation of the material provided for Bill C-78, this is not terribly surprising because the legislation as the minister indicated this afternoon is still in the process of

being more properly defined and determined. I would hope, if the debate is continued tomorrow and members have concerns about certain inadequacies or improvements that should take place in that legislation, they will be brought forth, debated, and determined here. We must not get ourselves back into the situation that resulted from hastily conceived and inadequately arrived guidelines in 1984, for which we are now paying a very large price. I cannot believe that was a happy result in the situation.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the member must know that with the court decisions, which I know he has studied as carefully as I have, the present environmental guidelines, whatever their inadequacies when they were first initiated, are stronger than the legislation now before the House.

I have a couple of things to which I would like the hon. member who is also the chairman of the Standing Committee on Environment to respond. Does he feel it is correct for the minister to make a statement that a project is necessary before an environmental assessment has been completed when the very question of necessity is the fundamental question of an environmental assessment, looking at alternatives and the necessity for the project?

Second, does he think it is proper that the minister obviously endorses mitigating measures that have gone ahead when the question of mitigating measures is a matter for a full environmental assessment review, not for predetermination?

Third, is he aware of and does he agree with the exemptions to Bill C-78? Does he really mean to pretend, in the face of court decisions that strengthen the guidelines order and their status, that Bill C-78 is an improvement with all its exemptions?

Mr. MacDonald (Rosedale): Mr. Speaker, I will try to keep this very brief. There were a number of questions that my colleague opposite placed. I think the two questions which perhaps are the most important are the comment that she believes Bill C-78 is a weaker version than the guidelines. If that is the position that she has taken, it is certainly not the position I have seen from most of the people who have studied this legislation. Maybe she has another point of view and maybe it can be supported.

I watched very carefully when Bill C-78 was introduced. I had the feeling—and I think the colleague who spoke briefly before her would echo this in terms of her own interpretation—that Bill C-78 is a considerable advance and provides the kind of sound prior knowledge and process that will prevent the situation which we have witnessed here today from developing on another occasion.

This brings me to the final point I want to make in response to the member's question. I find it very strange that she would question the necessity of a project that clearly the people of Saskatchewan and the Government of Saskatchewan have spent many years designing, apart altogether from whether or not it will meet the final test of an environmental assessment. There is no doubt in my mind that the people of Saskatchewan and the Government of Saskatchewan believe that the project is extremely necessary. I hope she is not speaking for her party in saying that it is not.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time allotted for questions and comments has expired. Resuming debate. Before giving the floor to the hon. member for LaSalle—Émard, I recognize the hon. member for Davenport, and he has 10 minutes.

• (1710)

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what this debate has revealed so far by the intervention of the parliamentary secretary this morning, by the minister and now by the member for Rosedale is a severe case of Tory myopia. I will explain. All three have referred to the guidelines that have been interpreted by the courts as being vague, as being confusing, and as being full of uncertainties in their significance.

The reason I am saying that this is a typical case of Tory myopia is that the courts found it possible to interpret these guidelines and to make them mandatory. If there is any uncertainty or ambiguity, it is in the Tory mind which does not seem to be able to accept the fact that the courts have made these guidelines, which they have been deprecating in the course of the debate today, mandatory.

It is this kind of political playing around that makes this debate fascinating in a way but also quite depressing. It allows the participation on the part of government members by the parliamentary secretary, the minister, and the member for Rosedale to create the impression that they are the victims of some kind of uncertainty created by guidelines which nevertheless the courts were able to interpret and make mandatory for the present government, so much so that on several occasions three ministers of the Crown chose to ignore them.

I will refer to the classical case last spring when here in the House on several occasions the Minister of Transport refused to take a position for his government on the Oldman River dam in Alberta. He was alleging some reasons of safety there. As well, some reasons of safety have been alleged in the case of the Rafferty–Alameda case. Is that not a strange coincidence?

Is it not a strange coincidence also that we have a Tory government in Ottawa hesitant to take action with regard to a Tory government in Alberta? Is it not a coincidence that you have a Tory government in Ottawa hesitant to take issue on environmental matters with a Tory government in Saskatchewan? Is that not strange? I find it very intriguing, to say the least.

I can only conclude that there was a lack of determination or spineless behaviour on the part of this government when it came to the crunch of these two major issues.

It is also interesting to note that this debate has failed so far to recognize, on the part of the government members when they participated in it, that nothing has been said about the resignation of the panel. This is what has precipitated this issue in the last 10 days and what has also precipitated the excellent motion put forward by the member from Saskatoon that we are debating today. The resignation of the panel is key to this issue at this point. It must be addressed because it reveals a profound sense of dissatisfaction on the part of the panel itself with the mandate that it had been given by the government.

Third, it is quite interesting to note last week that the premier of Saskatchewan was claiming publicly that the Minister of the Environment had given him the green light to proceed, forcing the Minister of the Environment here in Ottawa to contradict him. "Who is telling the truth" is a very intriguing question I would like to put to you, Mr. Speaker.

Fourth, there is the amazing remark last week by the Minister of the Environment who says all of a sudden, that he would like to leave it to the environmental groups to go through the courts and take the next necessary court action. Hiding behind the skirts of the NGOs, Mr. Speaker, here you have a minister who does not perceive that it would be his role. It is his role, and he leaves it to the NGOs to do it.

Can you imagine, Mr. Speaker, other ministers of the Crown doing the same? Imagine, for instance, the minister for native and northern affairs, when something goes profoundly wrong in the mandate under his jurisdiction, saying: "I will not take action. Let the band council of northern British Columbia take the action in court on my behalf." It is pretty unusual to say the least, if not peculiar.

Then, Mr. Speaker, you have the fascinating notion that has emerged in this debate that Bill C–78 is the panacea of all troubles. I ask the parliamentary secretary who is patiently staying with us all day long whether he has read section 6 of the bill.

This bill, as we are gradually discovering in committee this week, is perforated with exceptions and is silent on the regulations. The notion was being created by the Minister of the Environment a couple of hours ago that we should support the speedy process of this bill. How would he dare say that when this bill has been sitting without any action since the latter part of June despite a commitment by the government to get it going throughout the summer, at least with interested parties away from the Hill?

We are behind schedule on this bill because of the inaction on the part of those responsible for it, and for no other reason. It seems as if this is a diverting tactic on the part of the Tories, namely, that what is happening with Rafferty–Alameda is due only to the fact that the guidelines are not clear and that once a bill is in place everything will be all right.

Mr. Speaker, that is a false notion, and I will explain to you why. It is based on the assumption that political will is going to be present once Bill C–78 is in place. The action of the government belies that assumption, and

this leads me to the next point which has to do with the Point Aconi plant in Nova Scotia.

First, last spring there were the concerns expressed by the federal fishery officials there about the plant. Then the Minister of the Environment made his first public commitment in Halifax at the end of May and said that he will take action on it.

Then the matter was referred to the Minister of Fisheries and Oceans for public review and there was backtracking on the part of the Minister of the Environment on his original statement in Halifax. Finally, in the fall there is the announcement that Point Aconi will not have a significant impact on the environment, and the matter is shelved.

Mr. Speaker, let me take you with the time available to the Alcan smelter. We are informed by fiat from the government that there is no need for a public review of the expansion of the Alcan project. This is the word from the Minister of Fisheries and Oceans. No explanation is given. We were only told that the criteria are being met.

Some 10,000 and more people have threatened to go to court to block this project. How does this government intend to act in light of this particular situation? How does this government implement its own concepts that it is elaborating and that it is putting forward in this debate today when it comes to the reality of issues be they the Alcan smelter, the Point Aconi plant, the Rafferty–Alameda, the Oldman River dam and its elusive, ambiguous silence on James Bay 2. I would like an answer to those questions.

• (1720)

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, there is little doubt that the political process in Canada has lost credibility. It has certainly lost credibility because of the actions of all of us in this House. It has lost credibility because there is a government in power which has clearly ignored the wishes of Canadians. It has lost credibility because the government in power has lost control of the public agenda.

As well, there is another reason for the state of the democratic institutions in our country, and it is that we now have in the nation a population which is so far ahead of the government in its understanding of the evolution of the world, society, and the problems that the world faces, as to make government largely irrelevant. No better example of this can be given than the debate that is being held today and the failure of the government in power to defend the integrity of the need and the integrity of the environmental protection process in the land.

This began some time ago. It began when the government engaged itself in a process of consultation, leading to the eventual publication in the next couple of months of the Green Plan, a process of consultation that was by and large a farce, a process of consultation which has largely been condemned.

Then we go on to the Point Aconi decision in which the Minister of the Environment allowed himself to be bamboozled by the Minister of Fisheries. We follow that with the failure of the Minister of the Environment to support the conclusions of the committee on the environment of this House, in calling for a reduction in CO_2 emissions. And then, we come to that which members opposite have quoted at much length today, and that is the new Environmental Assessment Act, Bill C–78, an act which is a clear weakening of the existing guidelines.

The hon. member opposite said that he wanted to get on with the bill. It is not the opposition that is preventing us getting on with discussion of the bill. There has been a multitude of occasions for committee hearings; we should be much further ahead than what we are. We are caught in the government's agenda. Indeed, those discussions would be further along than they are if this government had not lacked the political will and the understanding of the ecological disaster that looms before this country.

Now, Mr. Speaker, we have Rafferty–Alameda. The government says that it cannot revoke the licence. The minister says that he has legal opinions which say that he cannot. Now it may occur rarely but there are occasions, and we all know it, when legal opinions are not so much a reflection of the law but they are a reflection of the will of the person who is asking for the opinion.

If this government is unable to come up with a clear legal opinion that says it cannot revoke the licence, I would suggest that it is because that suits the government's agenda and it is not a reflection of the state of the law.

Members opposite say that the dam is required, perhaps it is. On the other hand, if it is required, one must wonder why the initial environmental evaluation that was done in 1989 said that it was not. But the issue here is simply not whether the dam is required or not, it

is the integrity of the process and that process has been called into jeopardy by this government.

There is another integrity that we must look at, and that is the integrity of this government versus small towns and municipalities across this country who cannot become hostage to the incompetence of a government which simply does not understand what happens when tremendous hopes and aspirations are placed in a project and then that project is halted because of the government's incompetence.

The Prime Minister is fond of quoting from journalists. Let me quote from one of the most respected journalists in this country, Dale Eisler of *The Leader-Post* of Regina:

> The federal government has bungled and abdicated its environmental responsibilities from the start. It has taken the intervention of environmental organizations like SCRAP and the Canadian Wildlife Federation to force Ottawa to fulfil its legal duties.
>
> For the Tories, (Rafferty) simply could not be allowed to fail.
>
> So by pushing it through now, Grant Devine can only hope to perhaps save some face.

Then he goes on to say:

> What he can't hope to do is prevent Rafferty from being a lasting symbol to incompetence by Ottawa—

That indeed is what we are dealing with here, incompetence which has really let the people of southern Saskatchewan down. It makes no sense for the members opposite to stand up here and say, "Let's talk about the project". If the project is in jeopardy, it is because the members opposite have allowed this process to fail. It has allowed this process not to be able to demonstrate that indeed the project ought to go ahead.

The member opposite said that no one has said that Rafferty is unsound. That is not the question. That may have been the question in the 1970s, but the question today is, is it needed and is it the only way. What surely we are going to learn as we wind our way through the debates on Bill C-78 is that what we must be looking at is not simply an existing project and asking whether that project satisfies certain criteria, but is there indeed a better way, is that the only way to proceed. Surely to heaven the environmental assessment process must begin much earlier in the process. Members opposite fail to understand that. That is one of the major failings of Bill C-78 and it is one of the major failings in this government's attitude toward the environment.

We have raised here in this House the whole issue of secret deals. I have known the Minister of the Environment a long time. I like him and I respect him. I believe that he is a man of his word. I believe that this matter of secret deals must be cleared up. Today my colleague, the member for Ottawa West presented the text of an agreement that was allegedly reached at the September 5 meeting. The minister did not deny the existence of that agreement. I think he must. Article 4 of the document states that it is expressly agreed that the corporation may now proceed to do all that is necessary to complete the construction of the Rafferty dam.

Article 5 states that the minister agrees to issue revised terms of reference for the Rafferty-Alameda dams for the Environmental Assessment Panel in order to give full force and effect to the provisions of this agreement and which terms of reference shall only provide for review of the operation after its completion.

Mr. Clark (Brandon—Souris): Who signed this agreement?

Mr. Martin: The hon. member opposite asks who signed this agreement. I hope the agreement does not exist.

Mr. Clark (Brandon—Souris): Is it signed?

Mr. Martin: I hope that the whole thing turns out to simply be a balloon. The point that I would raise, however, is that the alleged agreement does do one thing very clearly and that is, it confirms the essential thrust of Bill C-78 which is to say that you assess a project after it is finished and indeed, that monetary compensation may well be sufficient in order to make up environmental degradation. There is no amount of money that can make up for environmental degradation that is enshrined in Bill C-78 and it is not acceptable to this side of the House.

I bow to you, Mr. Speaker.

• (1730)

Mr. Cooper: Mr. Speaker, I rise on a point of order and I hope you will not deduct it from the time of the members.

There have been discussions among the three parties and I believe you will find consent for the following action. The action concerns government Motion No. 16. First, by consent, the NDP will withdraw its subamendment to Motion No. 16. By consent, the Liberal party will withdraw its amendment to Motion No. 16, and, by consent, the government will withdraw government Motion No. 16, and substitute therefore the following new government motion:

> That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2 and for the sending of members, vessels and aircraft of the Canadian Forces to participate in the multinational military effort in and around the Arabian Peninsula, and in recognition of the seriousness of this matter, accept the undertaking of the Government to present a further resolution to this House in the event of the outbreak of hostilities involving Canadian Forces in and around the Arabian Peninsula; and
>
> That upon adoption of this Motion, the said Motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

I wish to indicate that that would be the business that would be called tomorrow, should we proceed with this consent.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I would like, as well, to speak to the point of order brought forward by the parliamentary secretary to confirm that we have had a series of discussions to find a way of having debate in Parliament on the Gulf crisis reflect a spirit of commitment and engagement by all Canadians.

We want to note that the new resolution put forward by the government does meet some of the concerns that were raised. I do want to acknowledge and make sure that Parliament understands as well that we expect the Secretary of State for External Affairs will be putting forward today or tomorrow further correspondence on this very important point, outlining different steps and commitment the government is prepared to make in dealing with the United Nations and dealing with Parliament. We think it is a very important step forward, and also indicate that this would establish a new plateau for debate, but would not necessarily negate any further potential amendments that would be offered in the same spirit in which these measures have been taken.

I would recommend to my colleagues that we accept the proposal by the parliamentary secretary. I think it would be an opportunity for us to begin a debate tomorrow with different terms of reference for this resolution. As a result, we could go forward and be able as a House to adapt our own debate to the very rapidly changing conditions in that very crucial area.

Mr. Robinson: Mr. Speaker, just briefly, we too have been consulted on this question and we certainly agree to the terms of the motion proposed by the parliamentary secretary. I look forward to participating in the debate tomorrow and seeing this debate come back before the House on this very serious question.

I just wanted to underline the point made by the member for Winnipeg South Centre, as well, that it is certainly our understanding that this new motion would indeed be open to amendment as its predecessor was.

Mr. Cooper: Mr. Speaker, yes, I can confirm that we do not have a problem if the Official Opposition and the NDP wish to move amendments and subamendments tomorrow through the normal procedures.

Also, I should signify that, to make sure it is procedurally correct, that the motion would be deemed moved by Mr. Clark (Yellowhead) and seconded by Mr. Andre, which is consistent with the mover and seconder of the previous Motion No. 16.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I must say I am amazed. We are being asked to agree to a series of motions in quick succession: first, withdrawal of the New Democratic Party's amendment, one which I would have supported; second, we are asked to give our unanimous consent for withdrawing the Liberal Party's, the Official Opposition's amendment, an amendment I would also have supported; third, we are being asked to withdraw the main motion, the government's motion, which I do not support.

We are being asked to do this, just like that, at the end of the day, as though it were routine, despite the fact that consultations were pretty rushed, and at a time when the House seems strangely empty—according to our custom I will not elaborate—and on a matter that is very important and in which members like myself have always had a keen interest.

I was discussing this question with my party's outstanding new critic, when all of a sudden, everything went into high gear and we were asked for unanimous consent. I realize some meaningful glances are being exchanged.

Since last week, I noticed some mysterious goings on. I did not know exactly what, but I did know something was happening. As a veteran parliamentarian, I have been around long enough to realize that this particular motion seemed to make a lot of people uncomfortable, that the government wanted a unanimous motion and that the Official Opposition obviously wanted a motion that would be acceptable to the vast majority of members in this House. And the NDP members, who are all smiles because a member of the Official Opposition rose in the House to say he was amazed—

Mr. Speaker, I would like to say once and for all that personally I am fed up—I hope this will come through in the translation—I am fed up with the lack of communication on such important matters. I say this to the members of your majority as well as to the members of my own party and other parties.

If only they would tell us: tomorrow, we intend to ask for the unanimous consent of the House. The NDP seems pleased at the thought of signs of division here and there. There is no division. This matter is far too important for that. But why can't they give us reasonable notice and say that tomorrow, they intend to present a motion? I am a reasonable man. I am a reasonable parliamentarian. Why don't they tell us: tomorrow, we would like to seek the unanimous consent of the House for withdrawing the NDP motion, the Official Opposition's motion and the government's motion—

Mr. Cooper: Mr. Speaker, —

Mr. Prud'homme: Just a minute! You started it. It's too bad, but you know very well this is not done. And you made the suggestion, not me! That is all I had to say.

I want my comments on the record to express my amazement at this procedure. It doesn't happen very often, Mr. Speaker, but it happens every time we discuss the Middle East. Now I am a reasonable man but I am nobody's fool, and if the government's motion was flawed to start with, that's just too bad! This is a very important matter, and we are being asked to give our consent because tomorrow— caucus should be very interesting tomorrow! Being a reasonable man, and since my esteemed colleague from Winnipeg is the party critic whom I respect for his intelligence and his brillant mind, I hope he will give us further explanations in caucus. Perhaps you could give us notice that tomorrow, you intend to seek the unanimous consent of the House for withdrawing the NDP, Liberal and government motions and presenting a new motion. That is asking a lot, but we will have time to think about it this evening. Come back tomorrow, and you will find me very reasonable. I don't feel very reasonable right now, however. I will listen if there are any further comments.

• (1740)

The Acting Speaker (Mr. DeBlois): The Hon. Parliamentary Secretary rises on a point of order.

[*English*]

Mr. Cooper: Mr. Speaker, in light of the conversations I just heard, I will withdraw my request for consent until discussions have occurred with members of the Official Opposition.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I heard the hon. member say because of opposition from the opposition or a member of the Official Opposition. There are other members. I just noticed there is one here from the Bloc Quebecois. No one wants to call them the Bloc, but I do. The Bloc Quebecois is here. I just noticed he was on his feet. So, it may not be only me.

Do not always make it so personal, saying it is Prud'homme and disagreement because it is the Middle East. I am getting sick and tired of it. But if the hon. member pushes and makes me sick and tired, I assure him that there will be a lot of people who will be sick and tired. I assure him of that. We must debate that issue calmly, because it is a most important issue affecting the peace of the world.

I do not want it to come to this at this hour. Once I was asked for consent on another matter around this same hour and I thought I should have said what I am saying here today. But I want him to know—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry but, the Hon. Member for Saint-Denis cannot continue. This is not a debate. I made allowances with case of the Hon. Member for Saint-Denis because he is the dean of the House. But a request for unanimous consent seemed to have been denied. The Parliamentary Secretary has withdrawn his motion. Therefore, we are returning to the order of the day, namely, the question and comment period.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. DeBlois): The Hon. Member for Shefford on a point of order.

Mr. Lapierre: You may interrupt the debate, Mr. Speaker, but I am already on a point of order. It is quite simple. The Parliamentary Secretary has tried to develop a situation where, under a sort of conspiracy of silence, at about 5.45 p.m., he tries surreptitiously to sneak in a few "quickies". Like the Hon. Member for Saint-Denis, we are somewhat disgusted to see this kind of deals by people who claim to be speaking on behalf of others. Mr. Speaker, we hereby give you notice that we are sick and tired of him also.

The Acting Speaker (Mr. DeBlois): I am prepared to entertain other points of order, but I call the attention of the House to the fact that there is nothing to debate, the motion having been withdrawn for lack of unanimous consent. I will hear the Hon. Member for Winnipeg—Transcona who rose on a point of order, but I do hope it is not the same.

[*English*]

Mr. Blaikie: Mr. Speaker, my point of order was simply that I thought the matter had been dealt with and we should return to the question and answer period, which would rightly have followed the speech by the hon. member for LaSalle—Émard.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Great! Therefore, the Hon. Parliamentary Secretary to the Minister of Environment has the floor.

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I know the hon. member who has just spoken has a great desire to be precise and I appreciate the manner in which he has chosen his words. I would like to direct his attention to the question of a document which he cited which had been referred to earlier in the debate, and referred to as an alleged agreement.

There are times in my life when I am happy that I am not a lawyer. There are times in my life when I wish I had had an opportunity to study law. I would assume, as a layperson, that any reference to an alleged agreement would presumably be an agreement reached between two or more parties. I would want to ask very precisely whether this document, to which the hon. member and, I gather, other hon. members have referred, does in fact indicated that one or more parties had signed that agreement? Is this alleged agreement a signed agreement, or is it an unsigned alleged agreement? I think there is an important difference between the two.

Mr. Martin: Mr. Speaker, I appreciate the opportunity to respond to the hon. parliamentary secretary. The agreement that I saw was not signed. The issue is not whether or not it was signed. The issue is that the minister had an opportunity to deny the existence of the agreement. The second point is that the agreement does seem to enshrine a quite archaic view of environmental assessment, which view is also enshrined in Bill C-78. My point is that there is a coincidence of archaic assessment views. I would hope that the agreement is, in fact, not a real agreement. I would certainly appreciate the opportunity of hearing the minister deny its existence, but the agreement was not signed.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like the hon. member for LaSalle—Émard to just elaborate for a few moments on this archaic principle that he refers to because of interest to me is the notion that environmental damage can somehow be compensated for in a financial way.

It seems to me that this is very much not Canadian *perestroika* or new thinking when it comes to the environment but is very much an old way of thinking that assumes that these kinds of things can be made up for in dollars. It is a bit like what we were doing 15 years ago and we still are, in some respects, asking aboriginal peoples to extinguish their land claims for money. We

cannot not extinguish our claim to a healthy environment for money because, in the end, you cannot buy ozone. They are not making any more of them—like land, I suppose. You cannot buy a lot of these things. The very notion that this is somehow a matter of dollars and cents just shows how far back this government is when it comes to this kind of thinking.

Mr. Martin: Mr. Speaker, the hon. member has, very clearly, picked up on my point. What is occurring with the Rafferty dam appears to be a feeling by this government, and certainly by the Devine government, that it makes no difference what you do; build the darn thing and no matter what the damages are, you can always pay for it. In Bill C-78, clearly, when they talk about mitigation and they talk about minimal damages, they talk about compensation. In other words, they are enshrining in Bill C-78 that it does not make any difference what you do to the environment, but that it is possible to buy your way out of the damage. That is simply not acceptable in the 1990s, certainly not in a reawakened nation, the Canada of today.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to rise this evening to participate in this debate on the motion of the hon. member for Regina—Qu'Appelle which reads:

> That this House urge the Minister of the Environment to revoke the Rafferty-Alameda project licence and use all federal authority to prevent Saskatchewan from proceeding with project construction until an independent environmental assessment panel has completed its review.

This incident last week, where the review panel resigned in outrage over the conduct of the provincial government, is just another case in point of the holes that are shot through the environmental assessment review process. This motion gives us an opportunity to talk about the flaws in that environmental assessment review process. As many members mentioned this afternoon, there is another bill before the House, Bill C-78, which gives us some hope that this will change. However, as I want to connect my comments later, I think that C-78 is once again another false hope for that process.

As I said at the beginning, Rafferty-Alameda and the events of last week when the panel resigned is just one more indication of an environmental assessment process that is flawed. It is stacked upon the same sort of process that has or has not taken place around Point Aconi on the Atlantic coast where a coal-fired, electric generation plant is going to go ahead without an environmental assessment process.

Another example of that is the whole Hibernia project. Once again, this is an enormous project with an enormous influx of our tax dollars and there is not an adequate environmental assessment review process. As many have pointed out this afternoon, this is just not acceptable. We, in our party, are very conscious of where tax dollars come from. They come from ordinary Canadians to a far greater degree than they should because the corporations are not paying their fair share. We want to protect those tax dollars. Those people have worked hard for their money. It should not be taken away to conduct or to fund projects that are not environmentally sustainable. All the projects that I have cited this afternoon, the Rafferty—Alameda, Point Aconi, the Hibernia, do not stand the test of sustainability. That is the test which any environmental assessment review process has to pass.

• (1750)

Not only is existing legislation which is supposed to be looking after that process inadequate, but Bill C-78 is also inadequate. It has lovely language in the briefing notes; wonderful things that are going to flow from this, that we are going to follow the Brundtland commission's report in looking for a sustainable future.

When you actually read the words of the proposed legislation, you see that this is not in fact the case. It just opens the door wider for the kind of abuses that have occurred in the past. This is just not acceptable. The Canadian taxpayers, the Canadian public, one and the same, are fed up with the kind of bureaucratic gobbledegook that has gone on, seeming to achieve something when in fact what they do is open the door wider for big business interests to conduct their business with impunity. This is not acceptable to the ordinary taxpayer, the one who is carrying far more of the burden than they should do in our country.

I also want to address my comments to the issue before us, the Rafferty—Alameda. We have an instance where the federal government has given over $8 million compensation for the so-called inconvenience of this project. What has happened with that money? What is going to happen with that money now that Premier

Devine in his wisdom—and I say that with lots of sarcasm, Mr. Speaker—has decided to proceed?

The federal government has a responsibility to the taxpayers, not just in collecting the taxes, but making sure that that money is spent wisely. If that money has been taken on a supposed fraudulent basis, it should be taken back and made sure that it goes back into the government coffers. We hear lots of rhetoric on the other side of the House about the concern of the deficit. If the government is so concerned about the deficit, get that $8 million back. It would go some degree in being able to protect ordinary Canadian taxpayers from the abuses of government.

We have an environmental review process that is shot full of holes. We have a tax system that is biased against ordinary Canadian families. They are the ones who are having to pay for this process that is fundamentally flawed. We can do better. We can do a whole lot better. I know that in my party we intend to do better when we become government the next time around because this government is so—

Ms. Langan: Corrupt.

Ms. Hunter: I am not going to suggest the word that my colleague used—I am sure it has been picked up in *Hansard*—because I know it is unparliamentary. Their ideas are fatally flawed. They have no vision about the kind of direction we should be going on the environment.

When we talk about the test of sustainability, it is not out of any airy fairy idea that the economy is somehow divorced from the environment. No, Mr. Speaker. What we have to do is integrate the environment and the economy.

We know that people are hurting. We know that people in Saskatchewan want jobs. We understand that. But those jobs in Saskatchewan and those jobs in Hibernia cannot be given at any price, especially not the environmental price. It is not just this generation that pays the cost, it is future generations.

The federal government has a responsibility to provide leadership. That is what is lacking, federal government leadership on environmental assessment. We seem to be afraid of that. We seem to think that we are going to be putting more bureaucratic markers in the way of development. That is not the intention of real environmental assessment. It is to show the integration of the environment and the economy are not two, but one. We, the taxpayers of Canada, are the economy. Where and how we live is the environment.

I would like to conclude by saying that the motion before the House today on the Rafferty–Alameda project is just one example of the flawed process of environmental assessment. I know in the coming days we will have more opportunity to debate the Environmental Assessment Review Process. I caution this House that we no longer have the time or the resources to make a mess of this. We have a responsibility as federal politicians to create an Environmental Assessment Review Process that integrates the environment and the economy, that shows people that the projects that federal tax dollars provide are sustainable, both economically and environmentally.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, it is almost six o'clock but I have a brief comment.

The hon. member for Saanich—Gulf Islands made a statement which I think deserves more comment but, unfortunately, we do not have enough time. She said that jobs should not come at any price. I think this is at the crux of the environmental debate.

Jobs have been used as an argument for the need for this project to continue, as well as water. Jobs are used in British Columbia to justify the logging of old forests and various other forests that environmentalists want to protect. The thing that comes to my mind on this is that in the end we have to come to a different way of regarding job creation in this country and, for that matter, in the world. Not everything that creates jobs is necessarily good.

If I could revert to my other vocation, the church, I recall that one of the complaints against St. Paul by the Romans was that he was putting the idol makers out of business. There was a great job creation industry in Rome making graven images. One of the complaints against St. Paul was that he was putting the makers of graven images out of business. The whole Christian church did not pack it up at that point and say: "Oh, well, we do not want to put these people out of work making

graven images, so we will just bury the truth and we will not proceed any more with it." Instead they proceeded.

It is the same thing here. Many of the jobs which exist in our society today exist because of the worship of false gods, whether that be materialism or economic growth or whatever the case may be. We need to come to the point where we put the truth first and design jobs around the truth, rather than letting the existing jobs dictate what we preserve and what we do not.

Ms. Hunter: I think the brief intervention by my colleague from Winnipeg—Transcona this afternoon has demonstrated that there is a depth of knowledge within this caucus about the real priorities for the 1990s on environmental and economic issues.

The integration of the environment and the economy is doable. It is not only doable but it is a crisis situation. We have the vision in this caucus to be able to take it forth.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 6 p.m., it is my duty, pursuant to Standing Order 81(17), to inform the House that the proceedings on the motion have expired.

Pursuant to Standing Order 30(7)(a), the House will now proceed to the consideration of Private Members' Business as listed in today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

Mr. Neil Young (Beaches—Woodbine): moved that Bill C-225, an act to amend the Public Service Employment Act (staff of members of the House of Commons), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, prior to my comments on my private member's bill—and I should say at the outset that I do not plan to take up the full 20 minutes that have been allocated to me for debate—I think it would be useful for members on all sides of the House to understand a part of the history of this bill coming forward, which is in my name.

The bill was actually first introduced in 1984 by the then member of Parliament for Lachine, Rod Baker, who was also a parliamentary secretary at the time on the government side. The idea and the notion behind the bill came from a committee on which I had been asked to serve that was also made up of members from all sides of the House. It was a non-partisan committee, in the best sense of the word, and it had been lobbied extensively by members on all sides of the House to take a look at the problems that this bill is designed to address.

I rather suspect from those I have talked to that the bill will be adopted and referred to committee, as it was in 1984 when it received broad support from the House and would have gone to committee. I think some work has to be done on the bill. There are some flaws in it, and I recognize that, which can be corrected in committee. If that bill had been scrutinized by that committee and referred back to the House, the intent of this bill would now be legislation. Unfortunately an election in 1984 intervened in the passage and further consideration of the bill.

If the bill were implemented, it would simply accord the same privileges to staff of members of the House of Commons that are now granted to staff of cabinet ministers or the Leader of the Official Opposition. If a member is ever defeated, dies, or leaves office in whatever way, it would provide that an individual would worked in his or her office for a period of three years would receive consideration for priority employment in the Public Service of Canada. That is what the bill would do.

The bill would not give employees a right to enter the Public Service of Canada, but it would give them the opportunity to do so provided they met the standards and criteria the Public Service of Canada would require of any employee who applied for employment in that service. That is essentially what the bill would do.

I am told that the private members' committee that listened to the arguments in support of this bill was unanimous in its endorsation that it should receive full consideration in the House and I believe has made it a

votable bill. In other words, if members of the House of Commons choose to do so, after three hours of debate I believe a vote could be conducted wherein all members of the House could participate in that vote on whether or not this private member's bill should be adopted by the whole House or referred to committee. That to me is a clear indication of the broad all-party support there is behind this notion of fairness.

Someone at that committee asked me for two or three reasons why I thought this bill should be adopted and why staff of the offices of members of Parliament is not granted the same rights as staff in minister's offices and in the office of the Leader of the Opposition.

The explanation for that is that when the amendments were made to the existing legislation a number of years ago, members of Parliament did not have their own staff. Members of Parliament at that time drew upon a common pool of employees that the House of Commons provided. Members did not have at that time the existing arrangement where we have our own staff assigned to us by the House of Commons or we have the right to hire staff in our own offices and at the constituency level. That simply did not exist at that time.

I am sure if it had existed at that time that we would not be faced with the problem that we have today. In other words, if members of Parliament had been given the right at that time to have their own staff, they would have been included in the amendments to the legislation at that time.

The number of people we are talking about here that could possibly be affected by this legislation I have determined to be in the area of between 35 and 50 people once in a four-year period. According to the information I have in each election there may be a turnover in members of Parliament of about 100. In other words, there may be 100 members who decide either not to seek re-election again or who may be defeated, and so we have a 100 or so new members of Parliament after each election.

According to information I have received from other sources, it is expected that most of those staff individuals would be employed by incoming members of Parliament, or they may choose for whatever reason not to stay on the Hill and seek employment elsewhere, and that by experience over the years there would probably be in the area of about 35 to 50 experienced people on the Hill who may not be able to find employment.

I say all this because I think we have to be realistic about what would be the impact of this private member's bill on the Public Service of Canada. Essentially what we are looking at is that the bill would probably affect between 30 to 50 people once every four years or so, following an election. The individuals could not just walk into the Public Service. They would need three years of service in the office of a member of Parliament. They would needs the skills and other requirements of the job to be considered for hiring into the Public Service. They would receive a priority consideration, however, and I think it would be of value to the Canadian Public Service to have people who have the degree of skill that is earned by working for members of Parliament. It would be of continuing value to the Public Service.

It should not by any measure be considered as another perk of one kind or another. They are skills that people have learned by working on the Hill that could continue to be utilized in the public good in Canada.

• (1810)

Therefore, as I said at the outset, I have no intention of speaking for 20 minutes. I think there is broad general support for this concept. I recognize that there are some weaknesses in the language in the original bill as it was drafted in 1984. I would be prepared to work with the committee to strengthen the language in the bill. I would hope that we could perhaps have some witnesses from the Public Service unions, even some members of the staff of members of the House of Commons, and any others who may be interested in having some input into making the bill say what it is we mean it to say.

I would simply say I would enjoy appearing before that committee to lend any assistance I could on what I would consider to be a truly non-partisan, non-private member's bill that you have before you today, Mr. Speaker.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, I appreciate the opportunity to speak to the bill that has been introduced by the hon. member for Beaches—Woodbine.

I like most members of the House will feel torn when I approach this bill because it affects all our staffs, the people we work with on a day-to-day basis. We know any time we see effective members that behind them is a group of very effective staff people who work closely with the members.

It not only affects those people who work for us, our staff, but in my opinion it would also have quite an effect on the Public Service, thee thousands of dedicated, intelligent, committed people who are looking for career paths in government in the Public Service. I would like today to argue and address what I consider to be some of their legitimate concerns.

Before I get into the full argument, the position that our staffs are put into is very similar to the position that we as politicians are in. Especially in this day and age this is not a secure job to have. We all know that the average length of time that a member of Parliament is here is less than six years. Some are here longer than that; of course many are less. This insecurity that is created for us as politicians unfortunately is shared by our staffs. They also are faced with this concern for where their futures lie.

Therefore there is a very real need. In many respects my admiration for the member in introducing the bill is that there is a legitimate concern by all of us members for those staff persons.

I would like to make a quick summary of the bill. I think the hon. member actually did summarize it. I would like to resummarize it to make sure that I have it clear in my mind and everyone else's the points we are addressing.

The bill proposes that any person who is employed in a member's office will be entitled to a Public Service appointment without competition if any one of three conditions is satisfied. The key point in my mind is without competition.

First, the person could have been a Public Service employee prior to being employed by the member. Second, he could have qualified for appointment to the Public Service while being employed in the member's office. Third, and in my opinion the most dangerous one, is a person who has been employed in a member's office for a period of three years. If that has happened, all they have to do is meet one of those qualifications and they have priority over the regular public servants for the position.

If we think of the stream of Public Service employees legitimately trying to pursue their aspirations, with this bill we are creating a back door, or perhaps a better analogy would be a revolving door where members of our staff, after completing three years' service can enter through the door and take priority over any of the public servants that apply for a job. This can be done without a competition. Granted, there are a few exceptions to that. It could be a person who has taken a leave of absence and upon returning has priority over the member's staff person or it could be somebody who has been bumped by that. Other than those minor exceptions, the staff member from the member's office who wants to get into the Public Service will take priority over all other public servants.

There is a test. They do have to qualify for the job. The hon. member has made that point and I would like to expand on it. There is a big difference between qualified for the job and the person who is the most qualified for the job.

I am sure there is some argument that will be brought out that this bill does not guarantee that the staff person will get the job, which is the point I address. They will not get the job unless they are qualified. I concede that that is a very legitimate and necessary step. I think you have to recognize that they automatically will receive priority over the existing civil service. To me, this just does not seem to meet a fairness test that I would apply as would most others.

It really bothers me that the fundamental principle of merit seems to be abandoned. It is no longer the best qualified candidate being considered for the position, not if it is one of our staff members. He has to be qualified and to have satisfied one of the three previous conditions.

I have met with many, many staff members since I have been on the Hill. I have gained quite an admiration for their ability and their competence. I seriously question whether we need to be concerned for their well-being. If they are competent, they should have no trouble competing in a legitimate competition. If they are the best person for the job then they will succeed.

In most cases, we have good people working on the staff of members on the Hill. The test has to be when they go for the job that they are the best qualified for that job.

We have the Public Service 2000 program. The Public Service is trying to create a more efficient and effective organization style. If it is to try to make more from less, if we are continually squeezing the dollars by which they operate, yet increase demands placed on them, if we ask more for less, then we have to honour some of their requirements. They need to feel they have our confidence and trust. They need to see that job development possibilities are there. They need to know that their successes will be duly rewarded. They have to know that the development steps that they require in their career paths are going to be open for them. In my opinion, this back door, this revolving door of Bill C-225 would go a long way to destroying any of the progress that we have made to date and will make on the Public Service 2000 process.

• (1820)

The hon. member in his speech mentioned the situation of after an election result where it is not inconceivable that there would be several hundred staff members in motion. God only knows we would love to be able to ensure that they all have work some place, but we have to consider the impact that these hundreds of people would have on the career civil servants. They have first priority for those jobs. They have first priority to their career paths and we have to ensure that they retain that priority.

We try to be more fair, more just, to our staff and in the process of that will become less fair and unjust to the civil service. I even question that the priority we would be giving them would even pass the test of our Charter of Rights.

There may be, as the hon. member has suggested, a number of faults with the current act. I maintain and will argue that the solution is not found in this bill. There is no question that we have an obligation to our staff, but by eliminating the fair and progressive job competitions we will have taken a step backwards. We have the key to the front door. Let us use it. We do not want our staff having to enter in through the back door.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am a little astounded to see this bill coming from the quarter it comes from. It just strikes me as somewhat elitist to be seeking special privileges for those who choose to work with members of Parliament. I am quite surprised to see that kind of bill coming from the New Democratic Party.

The bill proposes to amend section 39(4) of the Public Service Employment Act so that the staff of members of Parliament have a special priority to be appointed to the Public Service as the bill says, in priority to all other persons. If that is not elitism and preferential treatment, I do not know what is.

The argument that this privilege is currently enjoyed by the staff of ministers I do not believe justifies extending and multiplying by many times the number of people who would qualify over and above all other persons who might be eminently suitable for employment in the Public Service, to be appointed without competition, without being measured on their merit against anyone else who might be equally qualified for this job.

It says quite simply that there are three ways a person can qualify for this privilege. One, if they were an employee of the Public Service before coming to a member's office. Second, if they were qualified for appointment to the Public Service while serving in the member's office or, third, if they simply can endure and can manage to prevail in a member's office for three years. I want to stress again that they are then eligible for appointment to the Public Service on a priority basis in preference to all others and without competition.

We have a Pubic Service Commission that was established 80 years ago to ensure that the Public Service did not become the place of employment of those who had friends in office, but that it became a place of employment that impartially served all Canadians without deference to one political point of view or another, and without being beholden for the jobs that are held in the Public Service to any politician or to any position of privilege.

I am surprised for a second reason that this bill has been initiated by the NDP. It appears to enjoy the support of the NDP members who are in the House, as well as the member who is presenting it.

Mr. Young (Beaches—Woodbine): On a point of order, Mr. Speaker, I think the hon. member should listen to what I said.

This bill originated from an all-party committee, and originally from a Liberal member for whom I just substituted my name. I think if the hon. member is going to enter into this debate in a fair way, she has an obligation to tell the truth.

Mrs. Catterall: Mr. Speaker, I do not intend to apologize. If it is my duty to be at other places, and I am not here to listen to all the words of wisdom presented by my hon. colleague.

The fact is that the bill is here in the name of a NDP member, and I will address it on that basis.

I was surprised to hear my hon. colleague mention that he is introducing this bill without any consultation with the unions, that he hopes will take place subsequently.

The hon. member and his party's critic for the Public Service must be aware that in fact the major unions of the Public Service have taken a very strong position. They want to see the Public Service Employment Act amended not to further restrict free and open competition for positions but to make those very things subject to negotiation at the bargaining table.

That position was stated as recently as yesterday morning by the Professional Institute of the Public Service of Canada at a press conference releasing its paper Dialogue with Parliament. What it wishes to do is recognize that the Public Service Employment Act is now much more restricted in the rights it accords to employees than other labour legislation, simply because they happen to be employees of the public of Canada.

It severely restricts its right to negotiate. What the unions are seeking to do now that the bargaining process in the Public Service has achieved some maturity after approximately 22 years is to make such things as hiring processes, promotion processes and firing processes subject to negotiation at the bargaining table.

I question whether the members of those unions would find this the kind of provision that they would wish to negotiate into their contracts. Also they wish to expand their right to appeal, to grieve and to set up a much more legitimate process when there are objections from employees or their unions to the way in which an appointment, a promotion, a dismissal or a transfer has been made.

The member should be aware that at the moment there is a significant problem of morale and stagnation within the Public Service. One of the reasons is that there is very little room for movement in the Public Service. There is an aging workforce. For people already within the Public Service to move on to new opportunities and new levels of responsibility is extremely difficult.

As a result, the Public Service is losing many bright and capable people to the private sector or to other career opportunities simply because they cannot be given the opportunity to have new responsibilities and new experiences within the Public Service.

Making another several hundred people on a regular basis qualified to be parachuted in over and above those people who are there now looking for opportunities does not seem to me a wise thing to do. Nor does this seem to be an opportune time to do it with those kinds of problems existing in the Public Service.

I do not think any of us can ignore concerns about patronage in the Public Service. The recently released reports of Public Service 2000 includes move by the government without discussion by Parliament. Their wish to make the appointment of people and the moving of people around in the Public Service more a matter of managerial discretion not open to appeal and not open to examination. This has already created some significant consternation in the Public Service about the possibility of people being moved, based on their personal relationship with their supervisor or manager rather than on their abilities and on their job interests.

• (1830)

Given the scepticism that exists now among the Public Service unions about the fact that all these changes are being imposed from on high by management without them being part of the process that comes to solutions as to how best to reform the Public Service, I think we need to be very cautious about adding to that scepticism and adding to that cynicism.

The fact that ministers' offices have this privilege right now, the fact that in recent revisions Treasury Board has doubled the number of people who can be appointed out of a minister's office and directly into the Public Service does not necessarily make an expansion of this a good idea.

There is a process for Public Service reform under way. I fully expect that the government, if it really wants it to succeed, will open up that process to consultation with the employees and their unions and that an idea like this is certainly something that could be considered in that process but should not be brought into this House without consultation with the unions and in isolation from all the other reform measures that are now under consideration.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Matapédia—Matane.

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, after listening with care to my colleagues, it is with mixed feelings that I take part in the debate on Bill C-225. As you know, Mr. Speaker, this bill provides for the priority access of our staff to Public Service positions. Like all members of this House, I am extremely grateful to the people who work for me and for my colleagues. It is perfectly legitimate to be concerned with issues such as our staff's job safety and opportunities for advancement. They deserve it. They are loyal collaborators who are familiar with the business of Parliament as well as with the various Departments and the machinery of government.

They devote a lot of time and energy to satisfy our needs. For the most part, they do not have a fixed schedule. They are available at any time of day, often very early in the morning and late at night, and even during the weekends. Not many peole are so fortunate, Mr. Speaker, as to have such dedicated collaborators.

I can say without exaggeration that we could not do all our work if it were not for them. They provide us with the help, information and professional services we need to fulfill our demanding tasks as parliamentarians and politicians. Without them, we must recognize it, Mr. Speaker, we would often be lost.

We all know that our staff is as loyal and dedicated as we are when it comes to serving our country.

The purpose of Bill C-225 we are dealing with today is to amend the Public Service Employment Act to provide equitable treatment to the staff of Members of the House of Commons by according them a priority consideration to be appointed without competition provided they had been Civil Service employees immediately before, or had qualified for appointment to the Public Service, or had been employed for at least three years in the office of a Member of the House of Commons.

Over the past few years, Mr. Speaker, in order to streamline its expenses, the Government laid off some 1 000 Public Service employees. Thanks to its Work Force Adjustment policy, the Government was able to re-hire a large number of employees declared redundant thanks to the co-operation of the unions and the efforts of the Public Service to minimize the impact of these cuts.

Merit has always been a cornerstone of all appointments to the Public Service. Over the years, however, the merit principle changed to take into account other criteria such as efficiency, equal employment opportunity, a sense of fairness and awareness within the Canadian public.

Mr. Speaker, I feel it is essential to maintain a Public Service which is not only politically neutral, but which appears to be politically neutral to most Canadian men and women as well as civil servants generally, and not motivated by partisan or other types of political considerations. For nearly a century, I think we have managed to have a Public Service that is neutral and we must take all necessary steps to ensure that it remains neutral.

In my opinion, a Public Service which is politically neutral should be protected from any political interference. Such political scientists as Kenneth Kernaghan have identified the major characteristics of a classic model non partisan and neutral Public Service. In this context, this political scientist gave us the following theorical model: First of all, the policymaker and the policy should be distinct from the Civil Service. It is the responsibility of politicians and their associates to make political decisions and that of civil servants to implement them.

Second, the appointment and promotion of staff should be based on the merit principle and not on party affiliation or contribution.

Third, public service employees should not indulge in any partisan politics.

Fourth, public service employees should not reveal publically their personal opinion concerning the policies of the Government or its administration.

Fifth, public service employees should provide privately and confidentially politicians with objective advice.

Sixth, public service employees should loyally carry out the political decisions while respecting the philosophy and platform of the political party currently in power without consideration for their own personal opinions.

The practical limits of this theoretical model of a public administration have already been denounced and it appears certain that the reality of the Federal and Provincial Public Services falls short of this ideal. Proposals may therefore be formulated to better correspond to the contemporary reality. However, both in their original or amended forms, the major characteristics of this model are always present. At this time, three questions arise: What would be the impact of Bill C-225, if adopted, on the principles which I have just described? What would be its impact on the perception which Canadian men and women have of their Public Service? And finally, what would be the impact on the morale and promotion opportunities of present Public Service employees?

In conclusion, Mr. Speaker, I wish to emphasize the need for Public Service neutrality and impartiality to be preserved in any decision we may take. It is necessary for the maintenance of a highly competent Canadian Public Service which is deservedly envied by several countries.

Mr. Speaker, within the context of Public Service 2000 and personal management review carried-out by the Public Service, I suggest that the amendment should be judged on its merits. The Public Service Employment Act is very important and embodies basic principles which should not be disregarded.

• (1840)

Having said that, Mr. Speaker, I strongly believe that the employee who has served faithfully and worked loyally for a Member of the House of Commons for at least three years should receive some priority consideration. I feel this would be a step in the right direction. I recognize, however, that some questions remain which deserve careful consideration.

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, all members here readily appreciate the purpose of the bill and could support it. As indicated in the explanatory note, the purpose of the bill is as follows: "—to provide equitable treatment to the staff of members of the House of Commons (including the staff of the Speaker of the House of Commons) when their employment is lost—"

The bill would give members' staff the right to priority appointment to any public service job for which they are deemed to be qualified.

Mr. Speaker, it is passing strange that the New Democratic Party would sponsor this kind of legislative measure, for we all remember—and this was quite a recent occurrence—that the NDP is adamantly opposed to preferential treatment being given to members over any other citizen. So why would they now want our staff to be given preferential treatment? I find this quite contradictory, Mr. Speaker.

Anyone who is familiar with the 1990 labour market would know that nowhere can an employee expect foolproof job security. Still any fair-minded Canadian would readily agree that the staff of members should not work under conditions offering little or no chance of promotion. Mr. Speaker, we members of the House know the situation of our staff better than anybody else. We live with them all day long. We are quite aware of their long working hours because they are the same as ours, not to mention the stress they work under as well as the endless series of problems, questions and issues with which they must deal and be familiar.

More than anybody else we know just how unpredictable their workload can be from one day to the next. That does not prevent them from discharging their many responsibilities with outstanding dedication and loyalty. Indeed the public cannot possibly be aware of the support they bring to members and to the House, and their work does not get the recognition it deserves.

Given the importance of their contribution to the country, as much as other Canadians these people should be able to look forward to other employment once their term is complete. To me that seems only normal and fair.

But is that enough to claim that this legislative measure ought to be adopted as is? I for one must confess that Bill C-225 raises a number of serious questions. The first question I asked myself was this: Are the circumstances of our staff such that legislation of this kind is necessary? Second, even if that were the case, does this bill really provide a solution and is it an acceptable one? All members of this House are probably

aware of the extraordinary implications of the bill before us today. The bill provides that irrespective of the merit, skills and experience of other persons, including public servants, that would qualify them for a given position, when it is established that a member of the staff of a member of the House of Commons has the minimum qualifications for the position in question, that employee, and I quote from the bill, . . .is entitled . . .to be appointed without competition . . .in priority to all other persons", subject to section 30 of the Public Service Employment Act, under which a public servant returning from leave of absence has priority.

I will get back later to this aspect of the bill, in other words, its content. The question I think we should answer first is this: do the economic circumstances of members' staff, when they leave their jobs, justify taking extraordinary measures? The explanatory note to the bill proposed by the hon. member for Beaches—Woodbine does not indicate there has been any kind of study of the circumstances of our employees, that would justify the proposed measures.

I think we have a duty to all Canadians, and I to my constituents, to point out that this bill would give preferential treatment and, as a result, we would subsequently be accused of putting our own interests and those of our employees before those of our country.

My second concern is this: even if the facts about the present circumstances of our staff were to give cause for concern, is the solution proposed by Bill C–225 the appropriate one?

I think we should remember the two main objectives our Parliament had in mind in the last century when it passed the legislation that preceded the Public Service Employment Act, and I am referring to the Civil Service Act, which took away the ministers' authority to appoint public servants and gave it to an independent parliamentary commission, the Civil Service Commission.

Its initial purpose was to make sure that in the Public Service, both entry and advancement would depend on the merits of the candidates and on no other consideration. Its second purpose was to establish a clear separation between the executive power and the Civil Service on one hand, and the legislative power on the other. In fact, the separation of powers proved to be beneficial. Today, it is one of the advantages of our system of government. According to this principle, the role of the Public Service is to advise the government and carry out its decisions in a matter that is loyal, impartial and neutral.

Thus I would be afraid that the bill before us be seen by Canadians as mainly avoiding two important principles: the merit principle and the neutrality–objectivity principle.

Is it to say that there is no other means to improve our employees' career plan?

Bill C–225 would also entail serious practical problems.

As I indicated earlier, except for the civil servant on leave, that bill would give our employees the highest priority access to Public Service positions. That alone could create serious difficulties for the government as well as for the Public Service when attempting to resolve downsizing problems.

I want to emphasize the fact that, under paragraphs 4.1(a) and (b) of this bill, a person doesn't have to have been employed in the office of a member of Parliament for a minimum period of time to be entitled to a priority appointment.

Needless to say that, under this bill, the Public Service Commission would have to assess all employees of MP's applying for a job before considering public servants affected by personnel reductions or lay–offs. So, the efforts made by the government, by Treasury Board and by the Public Service Commission to implement the Work Force Adjustment policy would be a lot less effective than under the present system.

I will conclude by saying that my intention here is to underline certain serious questions relating to this bill. They are questions of principle, Mr. Speaker. They are so important that, in my view, it is imperative, in the interest of the Canadian public, of Parliament and of the Public Service, that we find answers before a legislative measure of that scope can be implemented.

• (1850)

[*English*]

Mr. Doug Fee (Red Deer): Mr. Speaker, I am very pleased to add a few comments of my own to Bill C-225 but, before I do that, I would like to take advantage of the opportunity to congratulate you on your new position in the chair and commend you for the very competent manner in which you have started to assume your new duties.

The subject before us this afternoon, Bill C-225, is not new to most members of the House. In a very broad sense it reflects a concern for employees that every good employer should have. As employers, and each of us as members of Parliament is an employer, we employ capable staff. This may not be a concern that members of the opposition have, but as a member on the government side I often hesitate to brag about how good my staff is. There is always the danger over here that a cabinet minister will think that they are good enough and try to recruit them away from us.

Having said that, I feel I do have a very competent and a very capable staff. They are very well motivated. They often go far beyond what could normally be expected from an employee. They work long hours, often under trying conditions and under great pressure. I am assuming that several members of this House, if not all of them, could say much the same about their staff members. Most of the people employed in this House would be an asset to any employer. But, as mentioned by the hon. member for Beaches—Woodbine, their employment is subject to the re-election of their employer and is often, therefore, very tenuous. Because most members of Parliament are concerned about their staff, this issue has been discussed and discussed many times in this House.

I understand an earlier bill was brought forward in 1984 and since then this has often been the centre of discussion by members informally and formally, on both sides of the House. As the hon. member for Beaches—Woodbine said, it is a non-partisan issue and for a very good reason. This bill deals with an issue with which all members are concerned, that of providing a degree of job security for the respective office staffs, knowing the uncertain climate in which these very capable individuals work. However, my concern with this bill is that in order to provide a degree of security for our staff members, we may well impose on the rights and employment of others.

Bill C-225 is an act which would amend the present Public Service Employment Act, the legislation under which most of Canada's federal public servants are hired. The Public Service Employment Act, which was promulgated in 1967, is one of several pieces of legislation designed to provide a framework for the management of human resources in the Public Service of Canada. This act has a long history, beginning in Canada in the early part of this century, with roots deeply embedded in the fine traditions of the British civil service and its long commitment to political neutrality.

The first act, governing appointments to the Public Service or, as it was then known, the Civil Service of Canada, came into being as a result of concerns for the competence of the civil service and the prevalence of political patronage in making appointments to the civil service. A succession of acts since that time have all reflected Parliament's commitment to the maintenance of a politically neutral Public Service.

One of the key elements of the current act is the establishment of the Public Service Commission of Canada, an organization which reports to Parliament and is responsible for all appointments to and from within the Public Service. It is the responsibility of this organization to ensure that people who are appointed to the Public Service are qualified.

The normal route into the Public Service is by competitive process and selection of the person or persons to be appointed is on the basis of merit. I cannot conceive how any logical person can debate the principle of hiring on the basis of merit. When we want someone to work for us, we want the best, and we will hire, on merit, the best person we can. The Public Service should do exactly the same.

Having said that, however, there are a number of exceptions allowed to the merit principle which are already embodied in the Public Service Employment Act. The Parliament of the day obviously felt that allowing exemptions to the merit principle would, in certain instances, be in the best interests of the Pubic Service and, indeed, of Canada as a whole. One example of an exemption or exception to the merit principle is

what is known as the veterans' preference. Section 16(4) of the Employment Act empowers the Public Service Commission to confine its selection in certain cases to persons in receipt of a pension by reason of war service or persons who are veterans or widows of veterans. There are obviously some humanitarian considerations and bona fide occupational requirements involved.

In the case of open competitions, that is competitions open to the general public, the Employment Act also empowers the Public Service Commission to appoint Canadian citizens to the Public Service in priority over non-Canadians. I think that is an exception that most Canadians would agree with. Another common sense exception to the merit principle is contained in section 30 of the Employment Act. This section provides for the appointment of a public servant who is returning from leave of absence or whose job has been filled during his or her absence to be appointed to a position for which he or she is qualified in priority to all other persons. This is another exemption that I feel is easily defensible, one that most reasonable employers practice in any event.

I want to emphasize that I am a whole-hearted supporter of the merit principle in hiring and I am not supporting exemptions but to draw my argument to a logical conclusion, I am illustrating existing exemptions that are made and allowed to the merit principle.

Another example of a variation in the merit principle is in section 29 of the Employment Act which provides for the consideration of a person or persons who have ceased to be employed by reason of lay-off resulting from lack of work or discontinuance of a function to positions for which they are qualified. This provision has been of great value in recent years during the downsizing of the Public Service. The provision has been used as a basis for an agreement with the Public Service unions on a policy to address workforce adjustment situations. This policy now forms part of our collective agreements.

The final exception contained in the Employment Act from the requirement to appoint the best qualified persons to positions in the Public Service is contained in section 39. That is the section being proposed for amendment by Bill C-225. This amendment to the act calls for the provision of the same privileges regarding statutory priority entitlement that are currently given to the staffs of ministers to the Crown to be extended to the employees of all members of Parliament. This priority entitles the individual for a period of one year from the day his or her position terminated the right to be appointed without competition to a position in the federal Public Service for which in the opinion of the Public Service Commission the person is qualified.

As I stated earlier, the history of the neutrality is long and complex and should be a major concern to Parliament. The question of political neutrality and the appearance of political neutrality is of particular concern to ministers and they must be assured that the advice they receive is not motivated by partisan or other types of political considerations. They must also be assured that in the execution of their duties, officials are acting without political motives.

It is also extremely important that the public not feel that political alliances enter into or in any way affect their dealing with government departments. The public expects appointments to be made to and within the Public Service on no other basis other than one's ability to do the job. Any suggestion that one's political activities had any bearing on appointments to the Public Service will undermine public confidence in the Public Service.

Any good government will have concern with the concept of public interest. In order to deliver services directed toward the public good, governments need impartial employees, capable of offering objective advice. They must not fear that the advice offered by a public servant is slanted toward his or her political beliefs or designated to embarrass the government politically.

In addition to these concerns and considerations, Bill C-225 would further impede those public servants who are on a lay-off status or have been placed on a priority list from obtaining a new position at the same time. This bill would also reduce opportunities for those public servants who wish to compete for a particular position as a career move because there is an even greater likelihood that this position will be filled with a person from this expanded pool of priorities. This I believe would do little to improve morale—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member for Red Deer—

[*English*]

The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being seven o'clock, the House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7 p.m.

HOUSE OF COMMONS

Wednesday, October 17, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, all Canadians benefit from developments in science and technology: living standards rise, industries become more competitive, agriculture becomes more efficient, and new career opportunities evolve for our youth.

This week is National Science and Technology Week. Educational institutions, laboratories and museums are opening their doors, inviting us to renew our curiosity and to increase our awareness of Canada's many proud accomplishments in science and technology.

On October 20 the chemistry department of the University of Alberta is opening its doors to the public, and everyone is invited for a tour of its facilities.

The future promises great opportunities for Canada and our youth as we open the doors to explore, develop and build on the paths that science and technology provide for us.

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, Monday and yesterday in this House the Minister for International Trade stated that the Minister of Agriculture should be ashamed of the $8.8 billion given to Canadian farmers as subsidies. That $8.8 billion is a fictitious figure. It is about 40 per cent higher than the actual figure.

For example, papers filed in Geneva on October 1 show that Canadian dairy farmers received $2.2 billion in subsidies, when in fact the only cash subsidy given to dairy farmers is $261 million and that goes only to industrial milk producers.

The $2.2 billion is a concocted figure, most of it being the difference between what United States farmers get for milk versus Canadian farmers, and then calling it a subsidy. This game of smoke and mirrors ignores the fact that Canadian farm inputs are much higher than those in the United States.

I ask the minister of trade to stop this charade and stop playing games. He must be honest with Canadian farmers and support them or resign.

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

Mr. Phillip Edmonston (Chambly): Mr. Speaker, automobile manufacturers have just announced that they will offer a discount equal to the difference between the 7 per cent GST and the 13.5 per cent manufacturers' tax.

The offer seems generous, at first, but it is misleading advertising.

Basically, these are just end-of-year discounts.

Even worse, the promised reduction does not cover the $800 per vehicle, on average, consumers are supposed to save with the GST.

In fact, this so-called GST discount is based on the manufacturer's suggested price. That price is often unknown, falsified or inflated.

I therefore urge the Minister of Consumer and Corporate Affairs to investigate this case of misleading advertising. I also want automobile manufacturers to appear before the House Standing Committee on Consumer and Corporate Affairs and Government Operations, and explain why they should not be charged for spreading misleading advertising.

S. O. 31

INTEREST RATES

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, the inflationary pressures we have experienced during the past four years made it necessary for the government to maintain a strict monetary policy with very high interest rates.

Although it was necessary to fight inflation for four years, it is nevertheless a fact that the present economic slowdown is proving very costly for people in the Eastern Townships, especially in my own riding, Richmond—Wolfe, and of course for the entire country.

According to statistics provided by Consumer and Corporate Affairs Canada, the number of bankruptcies has increased substantially in my region, in Saint-François.

For instance, the percentage in the business community is over 35.6 per cent and among private citizens over 14 per cent.

I hope that a carefully controlled reduction in interest rates will be feasible in the near future, which would, of course, produce immediate results. Lower interest rates would make it possible to start the recovery of businesses that are now stagnating. It would be an opportunity to consolidate existing businesses, and I am thinking of Bombardier in Valcourt, Camoplast and Fibres Donnite in Richmond and Shermag in Disraeli.

* * *

[*English*]

PERSONS AWARDS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, 61 years ago the much celebrated Persons case decision declared women to be persons.

In its decision the Judicial Committee of the Privy Council ruled that where section 24 of the British North America Act refers to people it should be interpreted to include women.

Although section 24 referred specifically to the make-up of the Senate, the impact of that decision reached far beyond that chamber.

The ruling was an important initial step toward the attainment of fundamental rights for women in this country.

Since that time, there has been much accomplished in the name of women's rights. These accomplishments were largely due to the vital work done by individual Canadians.

Yesterday awards were given out by the Governor General to just such individuals: people who have demonstrated a commitment to improving quality of life for women in Canada. These women deserve our recognition, admiration, and thanks for their efforts.

* * *

THE SENATE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I was shocked to see an article in *Maclean's* October 15, 1990 issue make this statement about the newly appointed Senator Michael Forrestall: "As well as a Senate salary of $62,000 and perks of about $30,000"—wrong—"the new senator collects a parliamentary pension of $45,000"—wrong—"and a $65,000 salary as chairman of the Veteran's Appeal Board"—wrong.

I cannot believe that *Maclean's* would be so tardy. Why did it not check the facts? Why was it so eager to besmirch the reputation of Senator Forrestall and Parliament?

The facts are that an MP cannot draw a nickel of his or her pension while serving in the Senate. Second, Senator Forrestall resigned immediately from the Veterans Appeal Board upon being appointed to the Senate.

Shame on *Maclean's*. Where is the apology? Printing a letter from Senator Forrestall is not good enough.

* * *

THE SENATE

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, Canadians are becoming more and more horrified by the apparent transformation of Canadian democracy.

• (1410)

In this seemingly new system it appears that a government of the day and its elected members have less of a role to play in determining government spending and policies.

What are the attributes of this new system? First, we have an opposition which forgets that it lost the last election. Next, there is a minority of appointed Liberal senators who want to set the agenda arbitrarily, who can pick and choose what bill should become law. Why not? They are accountable to no one.

Finally yesterday we have the Leader of the Opposition, who has not even been elected to the House of Commons, dictating when and if votes should be held in the other place.

Canadians are fed up with new system based on partisanship and opportunism. The time has come for responsible government to be restored.

Elections mean that governments have a right to govern. They do not mean a group of unelected individuals can set its own political and legislative agenda. The time has come to get on with it. Canadians deserve it.

* * *

NATIONAL STUDENT DAY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, today hundreds of thousands of Canadian students, many of whom are in the gallery, will be celebrating National Student Day. For many there is little reason to celebrate.

It is known that 30 per cent of Canada's students drop out of high school before graduation. The native communities have much higher percentages which go up to 90 per cent. Underfunding has reached crisis proportions in many post-secondary institutions.

For example, there will be 10 million fewer dollars transferred to provinces for education in less than a decade. Plant and equipment are deteriorating rapidly. There have been cuts in science and technology, and there have been reductions in the funds for research and development.

Student and tuition fees are going out of sight. In fact there has been a 3 per cent administrative fee put on the poor, those who need to borrow money to go to school.

S. O. 31

The Canadian Federation of Students today released a report entitled *Strategy for Change*. In its report it has identified the major problems: no vision, no plan, no strategy, no focus; the same problems as in the government's agenda for economic, social and environmental development. It is the same problem.

[*Translation*]

Education is an investment in the future of our country. Where is this government's political leadership?

* * *

[*English*]

THE SENATE

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, never before in the history of Canada has the appointed Senate overstepped the bounds of tradition to defeat bills of such importance to the economic future of our country. Its actions should outrage everyone who believes in democracy and representative government.

Since 1984 this government has been committed to reducing the deficit and improving Canada's economic opportunities at home and abroad. In 1988 we reiterated that commitment.

Our efforts are hot having the desired effect because the Liberal dominated Senate is stalling the good work of this House by not passing our bills.

The unaccountable Trudeau Liberal senators seem to be afraid to pass the legislation of this House because they know that the effects of our legislation would prove to be so positive that they would work against the Liberals in the next federal election.

* * *

CO-OPERATIVES WEEK

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, this week is Co-Operatives Week in Canada, when we recognize the achievements of our 100 per cent Canadian owned democratic economic sector.

The history of co-ops proves that when we work together we as Canadians can achieve anything we want to. Why then has the government not put as much effort into supporting and promoting co-operatives in Canada as it has into helping big business?

Instead of providing increased support for the co-operative housing sector the government has reneged on its commitment to help build 5,000 units per year and threatens to destroy the concept by creating low income ghettos.

Instead of building on the brains and talents of local people by supporting worker co-operatives, the government shells out billions to large foreign corporations.

Instead of treating co-ops fairly, this government proposes to bring in GST legislation which will discriminate against co-ops and and will make them uncompetitive.

We need governments with the political will to support the co-operative sector actively, not act as guardians of the interests of the rich and powerful.

* * *

[*Translation*]

THE SENATE

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, for three weeks we have been treated to an incredible display in the Senate, thanks to the Liberal senators, with the blessing of Jean Chrétien. The Liberal senators' foolishness is already costing Canadian taxpayers millions of dollars in additional costs, this with the blessing of Senator MacEachen. MacEachen, Chrétien and Trudeau almost brought this country to the verge of bankruptcy in 1980-1982. And now they want to finish the job and bankrupt the country altogether.

Mr. Speaker, enough is enough! Canadians are sick and tired of this asinine behaviour. I want to ask the government and the Prime Minister to take whatever action is necessary to uphold democratic principles, stop this waste of public funds and make the Liberal senators stop their shameless behaviour.

* * *

[*English*]

HUMAN RIGHTS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, this week Amnesty International is celebrating its 29th year of campaigning on behalf of political prisoners with a Prisoner of Conscience Week.

Although organizations like Amnesty International are crucial in establishing world-wide values promoting basic human rights, it is the role of this government and others to challenge those countries which flagrantly and systematically violate the basic human rights of their citizens. We must be our brothers' and sisters' keepers.

The fight against human rights violations is led by many valiant individuals around the world who every day risk their lives. We should be proud today of the visit of such a distinguished individual, Nineth de Garcia, president of the Guatemalan non-government organization Group of Mutual Support, who will be meeting with an all-party delegation later today.

Mrs. de Garcia founded the GAM group after the disappearance of her own husband, to press for human rights in Guatemala and to support families searching for missing relatives. Mrs. de Garcia, like many other Guatemalans and Canadians, is asking the Canadian government to link bilateral aid to an improvement in human rights in her country.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of the Environment. On Monday the minister said: "It will not be good enough to do an environmental review after Rafferty-Alameda is completed. Construction must stop".

On Tuesday he reversed his position and said he would and could do nothing.

Mr. Speaker, the minister was right on Monday. He was wrong on Tuesday. The minister says he cannot act because Saskatchewan has not breached the original agreement. If violation of the review panel's terms of reference is not a breach of the original agreement then it is because the original agreement was a set-up. There is only one solution. Will this minister seek an immediate injunction to halt all further work on Rafferty until all questions about the government's ability to act have been determined?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would like to repeat today what I said on Monday and Tuesday. I am under a court order to have a panel at work. I will comply with that order. I will meet

my obligation to appoint a panel as soon as possible to resume the environmental assessment work that was stopped last week.

I said on both Monday and Tuesday that at the same time, the government will take the necessary steps to ensure that the Alameda project not proceed until a full and proper environmental assessment can be completed, according to the court order under which we are operating.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, given the fact that it is very clear that for this minister the necessary steps are to see that project completed perhaps another minister will respond. My question is for the Minister of Transport.

The permit the minister refers to is under the International Rivers Improvement Act, but no permit has been issued under the Navigable Waters Protection Act which is required under the federal guidelines.

The Minister of the Environment refuses to act, refuses to take his responsibility. Will the Minister of Transport obtain an injunction to see that construction stops until he issues the requisite permit. Also, will he undertake today in this House not to issue that permit until the work of an environmental panel has been completed?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, a number of options are being looked at very carefully. I will name a few of those options.

There is the possibility of a court action to seek an injunction as my hon. colleague is saying. There is the possibility to act under two statutes under the Fisheries Act. There is also the possibility of having an agreement to have work halted on the project. All three are options that we are pursuing very actively right now.

• (1420)

I am sure my hon. colleague will agree with me that our purpose in this House is to make sure that we do have a full environmental assessment of this project before any work can be done and that should mitigation be required, that those measures be clearly outlined so that we can deal fairly and equitably with the environmental concerns that many citizens have expressed. That is exactly what we are doing at the moment.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, this government defines mitigation as cash compensation after the damage has been done. That is not good enough.

[*Translation*]

My question is directed to the Deputy Prime Minister. National unity means sharing common values. We believe in protecting the environment.

[*English*]

Mr. Speaker, the Minister of the Environment flip–flops. The Minister of Transport refuses to act. There are allegations of an agreement between Tories. On Point Aconi, the minister has failed. On Alcan, the minister has failed. CO^2 pollution, the minister has failed. Bill C–78, the minister has failed—

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member will please put the question.

Mr. Martin: You have got to admit, Mr. Speaker, I am learning.

Mr. Speaker: Not everybody would agree with you.

Mr. Martin: Mr. Speaker, my question for the Deputy Prime Minister is this. Why is this government sitting idle while this nation's reputation for environmental protection is being torn to shreds? Will he ask the minister to proceed?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, when we talk about our environmental reputation, I must tell my hon. colleague across the way that we have one of the very finest environmental reputations in the world.

We introduced Bill C–78. It is a bill that goes further than most bills anywhere else in the world. The Dutch have said publicly that we have a bill that could be a model for the industrialized countries of this world. We have moved on acid rain. We were the first government to be able to conclude an agreement with the U.S. on acid rain. We are finally developing the Green Plan. The Green Plan will be a model for most countries who are trying to achieve what we hope to achieve for the environment.

The hon. member should be cheering the environment, not saying that we are not doing what we should be doing as a country.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment. Rafferty–Alameda is the acid test.

I have in my hands a draft agreement between the Minister of the Environment and the Saskatchewan Water Corporation which says that the minister will agree that the Rafferty dam can proceed to completion and that the Alameda dam can start construction.

Is this the deal on which the minister shook hands in his office on September 5 with Grant Devine? Is this the agreement that was faxed to his office on September 10? Is this the agreement that sold the environment down the river?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the answer is no.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the same minister. The Saskatoon *Star–Phoenix* quotes George Hill, president of the Souris Basin Development Authority and past president of the Tory party in Saskatchewan as saying:

> I'm prepared to put it in affidavit form, I'm prepared to appear in court and swear on as many bibles as anyone wants to produce that that was the agreement and Mr. de Cotret asked the Premier to shake hands on the agreement.

My question is this. Who is telling the truth? Who is prepared to table the documents that will prove who is telling the truth?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, it seems to me to be a little unbelievable that Mr. Hill made that comment because he was not involved in the discussion I had. He was not involved. He was not there.

We did discuss a number of issues—

Mr. Boudria: Tories never cease to amaze me.

Mr. Nunziata: Robert, you've lost it, you've lost it.

An hon. member: You would think we were in the Senate.

Mr. Crawford: You'll wish you were.

Mr. Speaker: I remind hon. members that if we lose time waiting for order, they lose time.

Mr. de Cotret: I would just like to tell my hon. colleagues that I went to Saskatchewan on July 25 to meet with stakeholders, to meet with the proponent of the project, to meet with citizens, and to meet with the government. We have had ongoing meetings and ongoing conversations since that time.

There was no secret deal made. We always tried to reach agreement. Those conversations were ongoing until the panel resigned. And that, Mr. Speaker, is the truth of the matter. We have had a number of conversations on a number of occasions, either in person or over the phone. Unfortunately, the panel did resign. We are taking the measures that are required to ensure that we abide by a court order and ensure that the environmental assessment process is conducted properly.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of the Environment and concerns the Rafferty–Alameda dam. This is a test for the minister. Now is the time for the minister to show Canadians that he is really serious and that his government is really serious about the environment. We are discussing a situation about an environment review panel. I quote briefly from a letter dated October 4 to the minister from the environment review panel, which has resigned, and refers to the agreement between Canada and Saskatchewan. It says:

> While the agreement may be ambiguous regarding some aspects of the Project, it clearly states that no work on the Rafferty-Boundary Diversion Channel or on the Alameda Dam and Reservoir—will begin, and that construction on the Rafferty Dam—

—will only continue after safety is ensured and the panel has made an environmental review. How can the Minister of the Environment stand in this House and say that he will appoint another panel? Who will he get to serve on this panel, when clearly the first panel was not able to do its work based on the very guidelines of his Cabinet?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we have three documents that are very important in this issue. We have a court order which, by and large, is the most important of the documents; we have an agreement which signed in January of this year between the Government of Canada and that of Saskatchewan; and we have a licence that was issued in 1989 to the proponent of the project. And I intend to respect the letter of each one of those agreements and those documents.

Ms. Audrey McLaughlin (Yukon): A supplementary question to the Minister of the Environment, Mr. Speaker. The Minister of the Environment cannot answer how he will get people to serve on this environment review panel when the last one had to quit because they were not meeting their own conditions.

When it comes to tough decisions about the environment, we know whose side this government is on. First of all, in the Point Aconi case, the government chose, not the people of Canada but Senator Buchanan. The government had to decide between proper environmental review of Hibernia—

Mr. Speaker: I would ask the hon. leader of the New Democratic Party to please put her question.

Ms. McLaughlin: The government has also had to decide between Alcan and the people of—

Mr. Speaker: I would ask the hon. member to put her question.

Ms. McLaughlin: My question to the Minister of the Environment is this. In each instance, the Minister of the Environment has chosen the side of his corporate friends. Whose side is this government on for the environment of Canada, the people or the corporate interests?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I can be very clear. This government stands for the environment; this government stands for sustainable development; this government follows what the Brundtland commission report proposed; and, this government, in the case that is being raised right now, has stated very clearly that the government will take the necessary steps to ensure that the Alameda project not proceed until a full and proper environmental assessment process can be completed. And that is exactly what we are going to do.

• (1430)

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, everyone in this country sees the environment as an absolute priority. So what does the new Minister of the Environment do? He hands out environmental assessment exemptions! My question to the minister is this: if he is unable to meet the expectations of the public, is he at least prepared to resign and let someone else take his place?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the present government is working on Canada's environmental agenda as quickly as possible, an agenda that will be the envy of the industrialized world. I can assure all members of this House that they will be very proud to see how Canada compares internationally in the next few years.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have some questions for the Minister of the Environment based upon his statement today.

He said that he does not believe that the environmental review can proceed if construction is going on on the Alameda Dam. The Government of Saskatchewan indicated last evening that it intends to start construction of the Alameda project within a matter of a day or two.

Considering that fact, I want to ask the minister very specifically: Will he undertake a court injunction to ensure that there will be no construction on the Alameda project until that environmental assessment is properly conducted? Will he give the commitment that he will take that step today to stop that construction?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I indicated that we were looking at three options, all designed to do the same thing.

One is a court injunction and we are looking at that very closely. That has to be under the terms of the agreement, rather than under the terms of the licence. The other is a statutory action that we can do under some sections in the Fisheries Act. I am getting advice at the moment on that. The other one is, hopefully, to get an out of court agreement to not start work on Alameda.

I told the House yesterday, and I repeated it today twice, very clearly, that we will not accept the Alameda project proceeding until a full and prosper assessment is done from an environmental point of view.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I hope the minister understands that he does

not have the time to dither because the construction will be starting in a matter of 24 hours or so.

Going back to the question of the agreement, somebody is not telling the truth. The Government of Saskatchewan and its officials claim that there was not an agreement. The Government of Canada, through the minister, says there was agreement.

Because Canadians need to know the truth about this vital issue, will the minister undertake to table all the memoranda, minutes, documents, and correspondence relating to his meetings with Premier Devine and the Government of Saskatchewan?

More importantly, will he undertake to have the committee on environment invite Premier Devine to appear before the committee so we can hear his allegations against the government and get to the bottom of what this is all about?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, there is an agreement made on January 26, 1990. It is an official agreement. It is signed by Saskatchewan Water Corporation and signed by the then Minister of the Environment. This is an agreement. I will table this agreement. It is a public document and this is the agreement under which we are going.

* * *

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

On national television last night, the minister showed no compassion for people in the refugee backlog who have been separated from their children or their spouses for three or four years. The minister still insists that her ill-conceived refugee backlog clearing process is working.

Would she reconsider her position and give speedy clearance to those refugees who are separated from their children or their spouses?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, there are several points I would like to make to the hon. member.

The first one is that he is making an assumption that some other form of process would be faster. I would point out that the last time we had an administrative review it took us two years to clear 26,000 cases. That is not any faster than what we are doing today.

The process that I have set in place is moving ahead. It will be done within a reasonable time-frame and it is very important that people coming to this country all come under the same rules.

An hon. member: That's right.

Mrs. McDougall: That is what we have established and that is what we will continue to uphold.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, when the minister announced these programs, she said they were temporary and would remain in place for two years, to clear up the backlog of 85,000 refugee claims. That was two years ago. Today, about 20,000 claims have been settled, and of those 20,000, only 608 were rejected. What is the minister afraid of? Why doesn't she admit her policy is unfair and inhuman and prevents family reunification of refugees who have been waiting for four or five years?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I absolutely regret—categorically—the hon. member's assumptions. First, people come here because this is a good place to come. I do not notice that people have stopped coming to our borders because of this terrible human rights crisis to which the hon. member refers.

Second, if people want to speed up the process, it would help considerably if lawyers did not have as many as 17 adjournments on a single case.

Some hon. members: Hear, hear.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration.

As the minister knows, the churches' report to the United Nations accuses Canada of torture in its treatment of refugee claimants in the backlog, those who came before 1989. According to the churches' study, 58 per cent of them have suffered declining mental health because of the government's years of delay in processing their claims. They have suffered in the countries they fled, and now they are continuing to suffer at the hands of the government that prevents them from getting jobs,

creates anxiety about their futures, and denies them their right to be reunited with their families.

I ask the minister, what steps is she taking to end this torture?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, without accepting any of the vocabulary that has been used, let me say that we have put some steps in place that I think will make the process faster. We have done that in the last few months. Fifty per cent of the cases have been opened, and the process is moving ahead more rapidly. We, too, want to ensure that people's futures are settled.

I would also point out that people can work in this country as soon as they have had their first hearing. There are many countries in which people who are refugee claimants cannot work at all, can never bring their families, and can never become citizens. I think the hon. member should maybe turn his attention to where the real problems are.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the minister has been promising fast action for 21 months. She has failed to deliver. Furthermore, she has taken so many of the regular immigration staff out of normal immigration work that Canadians now have great difficulty in getting action on their sponsorships.

Will the minister stop the torture and stop blocking immigration by declaring an amnesty, that is, land the people in the immigration backlog?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am really surprised to hear this hon. member, for whom I have a great deal of respect in the refugee field and who is really concerned about refugees, raising some hysteria about torture. That is unlike him and is unworthy of this Chamber and is unworthy of the people—

Some hon. members: Hear, hear!

Mrs. McDougall: Mr. Speaker, I also want to point out that the UN High Commissioner for Refugees has looked at our system. The head of our refugee determination system, Gordon Fairweather, has been in communication with him because our system is regarded as a model, aspects of which may be applied in the rest of the world. That means that we are doing this in a fair and humane way.

ENERGY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The price increases in heating oil and gasoline are a crisis for millions of Canadian homes and businesses, yet the Conservative government cancelled over a dozen programs that Canada had in place to encourage energy conservation. Now Canadians are seeing the result.

Will the minister reconsider the programs cancelled, such as the incentives for converting from oil to natural gas? Will the government also reinstate the cancelled programs, such as the ones at the National Research Council, for developing alternative energies to fossil fuels?

• (1440)

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, on the first question, the answer is no. On the second question, the answer will be in the Green Plan.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I attended the minister's news conference this morning where he gave his blessing to a further 10-cent-a-litre increase for the price of gasoline based on present world prices. I think Canadians will be grateful to him to have that blessing.

How much of a price increase for home heating oil is he prepared to give his blessing to in light of present world prices?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, we had a good federal-provincial meeting. We went through the various aspects.

I was asked whether or not the price increase on crude post the August 2 invasion by Saddam Hussein of Kuwait had worked its way through the Canadian pricing system. I said, no, that there was a mathematical formula which would relate to about 0.7 cents per litre of increase for every dollar increase on WTI.

What I find incredible is that that member was a member of a government which, at this time, wanted the price of oil to be $116.63 a barrel. He wanted the Montreal reference price to be $78.73. In other words, he wanted Canadians to pay $78.73 for a barrel of oil,

plus $40 a barrel in tax, greater than the price of crude is today. What is he really for, Mr. Speaker?

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

The government has a duty to ensure that Canadians are not being taken advantage of by price gouging as a result of companies using the Persian Gulf crisis as an avenue to boost their profits.

Is he prepared, along with the Minister of Energy, to request immediately oil companies to provide the government with a detailed report to justify the gasoline price increases that have occurred across Canada?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as I said in the House before in a statement on September 27, I expect the oil companies to act responsibly.

We went through the various pricing mechanisms today with the ministers of energy. The hon. member will note that the increase in the price of energy relative to crude price increase as against increases in the price at the pumps is roughly half at the pumps as against crude prices.

He will also have to take note that there are some provinces which, through the public utility boards that they have set up, are looking at the type of monitoring for their provincial pricing.

The third point I make to him is that we are monitoring the pricing through the Petroleum Monitoring Agency on a weekly basis. If there is any evidence of gouging, I, along with my colleague the Minister of Consumer and Corporate Affairs, would under the legislation take the proper action.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I have a supplementary question directed to the Minister of Consumer and Corporate Affairs.

[*Translation*]

The Consumers Association of Canada wants an investigation of the petroleum industry in connection with unacceptable increases in the price of gas. Will the minister order an investigation today, one that is crucial for Canadian consumers?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, my colleague, the Minister of Energy, has answered that question quite clearly. I think the hon. member—

Some hon. members: No, no!

Mr. Blais: Mr. Speaker, if I were given a chance to reply—

Some hon. members: Oh, oh!

Mr. Blais: The hon. member is aware that we have a Bureau of Competition Policy that is able to check what is happening in the oil industry. The director told me he is following developments very closely. I believe that this morning, he attended the federal-provincial meeting to find out what is happening in the oil sector.

We are concerned, and I am as concerned as anybody else about the increasing price of gas. On behalf of consumers—

Some hon. members: Oh, oh!

Mr. Blais: Mr. Speaker, I am as concerned as the next person, as all Canadian consumers are, about the increase in the price of gas. However, we must find out what the reasons are, and what we can do to intervene.

In fact, that is what we have done. The director of the Bureau of Competition Policy is doing his job, and my colleague, the Minister of Energy, is doing his. We will watch very closely what happens during the next few weeks. I believe that together with the provinces, we have a responsibility to keep a close eye on developments in the price of gas in this country, Mr. Speaker.

* * *

[*English*]

POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, this is National Students' Day and I have a question for the President of the Treasury Board on behalf of Canadian students. Many of these students have incurred quite huge and onerous debts as a result of the Student Loan Program, some quite a good deal more

than $15,000. Because of that burden, many have defaulted. This government has imposed a 3 per cent surcharge on those loans in order to discourage default.

Some hon. members: Shame.

Mr. McCurdy: My question to the minister is this: Will he explain how increasing the student debt load can possibly be designed to cut down on defaults?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, students are the future of this great country.

Some hon. members: Hear, hear.

Mr. Weiner: That is precisely why the Prime Minister indicated education is such a high priority.

Some hon. members: Hear, hear.

Mr. Weiner: Mr. Speaker, we are proud of our record of achievements.

An hon. member: Yes, sir.

Mr. Weiner: In particular, since 1984-85, we have doubled the Canada Student Loans Program from some $200 million to over $400 million. Unfortunately, the debt, the defaults have more than tripled within the same period. So it was more than natural to begin an analysis to see what methods can be implemented to help with the administrative costs of some of those debts. The small administrative fee which is repaid at the end, when they are already in the work force, did not seem like much of an obstacle in the shared responsibility of education between the two levels of government, the parents, the family, and the students themselves.

• (1450)

Mr. Speaker: The hon. member for Windsor—St. Clair.

Mr. McCurdy: Mr. Speaker—

Some hon. members: Oh, oh.

Mr. Speaker: I am sure that the hon. member for Windsor—St. Clair in asking the supplemental question to which he is entitled will be very clear to dissociate himself from the demonstration that we have just had in this Chamber.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, there is no member of this House who would reasonably assume that I was in any way responsible for any of—

Some hon. members: Hear, hear.

* * *

[*Translation*]

AGRICULTURE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Agriculture. Dairy farmers in Quebec and Canada are worried. Is the Canadian offer tabled at GATT likely to reassure them?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, Canada's position tabled Monday at GATT— I personally met leaders of the Quebec agricultural industry on Monday, and this morning, in the newspapers, I found that most Quebec agricultural organizations and most Canadian organizations have come out in favour of the Canadian position at GATT. We feel that our position is balanced and represents the interests of all Canadian farmers, and I am particularly proud that Canada will be able to count on the support of all Canadian farmers in defending their interests in Geneva.

Some hon. members: Hear, hear.

* * *

[*English*]

POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I have disavowed any responsibility for the actions in the gallery. I look at the other side for someone to disavow responsibility for the government's side behaviour.

Mr. Speaker: I would ask the hon. member to put his question.

Mr. Shields: We don't believe you, Howard.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the hon. member would help the Chair and put his question.

Mr. McCurdy: Mr. Speaker, the Canadian Federation of Students has protested the 3 per cent surcharge. The government's own advisory committee on student financial aid has also disapproved of it.

My question to the minister is: Will he not withdraw this stupid surcharge and act constructively to, instead of increasing the financial barriers for students, help to cut them down?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, those young people are not typical of the bright, vigorous, vibrant young people that I have come to meet from coast to coast.

Some hon. members: Hear, hear.

An hon. member: They'll pay the deficit.

Mr. Weiner: The member will know that the current program is undergoing an internal review as well as an external examination to see how much more effectively it can meet the very pressing needs of those students who require assistance.

This government has nothing to be ashamed of in terms of its contribution to post-secondary education. In 1984-85, $4.2 billion was contributed versus $5.7 billion in 1989-90. We have increased spending, as I said, under this program. We have established 15 networks of Centres of Excellence involving over 30 universities. We have increased funding for the three granting councils from $500 million in 1984-85 to $800 million in 1989-90.

An hon. member: Speech.

Mr. Weiner: We value education. We value our contribution. We are going to continue all we can do to be helpful to make Canada the most competitive society in the world.

* * *

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, today we celebrate the court's confirmation of Canadian women as persons, but sadly, today we also see a tremendous upsurge in the murder rate against Canadian women.

My question is for the Minister of Justice. What program does the minister have to assist Canadian women who are living in terror, and what does she plan to do to end this scourge?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am delighted to answer the hon. member's question, which was put to me very recently by one of her colleagues.

The government's family violence program is shared by a number of departments, including those of my colleagues, the Minister of National Health and Welfare and the Solicitor General, but I would be very pleased to review what the Department of Justice is doing to this end.

We have, first of all, engaged in a reform of the Criminal Code in the law governing sexual violence, which was amended in 1983. We are now assessing the impact of those changes.

In addition, we are analysing measures to deal specifically with violent pornography. We fund research to such projects or through television programs to inform the general public about the existing law of sexual assault and an evaluation of programs for men who batter their spouses or lovers.

In policy development, we have set up a departmental committee to develop policies relating to women, especially violence against women. We have participated in the interdepartmental committee developing a policy on family violence.

Finally, with respect to the administration of justice, we have provided support for conferences and seminars designed to sensitize justice professionals on sex equality issues, especially as they relate to violence against women.

An hon. member: Speech.

Ms. Campbell (Vancouver Centre): I am sure the hon. member as a member of the legal profession may be aware of the programs sponsored by the Canadian Judicial Centre for the Canadian judiciary to sensitize them to issues with respect to violence against women as they appear in the court.

Ms. Mary Clancy (Halifax): Mr. Speaker, assessment, research and development are all very well and good in their place. But, two weeks ago a 16-year old girl was murdered in the shadow of these Parliament buildings. This is a war and women are dying.

[*Translation*]

Mr. Speaker, my supplementary is directed to the same minister. Not long ago in Montreal, over a period of only ten days, seven women were killed by their husbands. As a woman and as the person responsible for law enforcement at the national level, what does the

Minister of Justice intend to do to help women who are victims of violence?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I said before, we have a very extensive program to deal with the matters to which the hon. member referred. It is not a simple matter. In fact it is a very complex one. However, attitudes, not just men's but also women's attitudes, are very important. They are the basis for the changes that are necessary in society. We have initiated programs that deal with the attitudes at the root of these problems. As I said before, we have a very extensive program, and, in my opinion, a very effective one to deal with these matters.

* * *

• (1500)

[*English*]

GOODS AND SERVICES TAX

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The current nursing shortage has forced many nursing homes to rely on medical service companies to provide their nursing and support staff. As a result most of the labour cost of these homes will be subject to the 7 per cent GST. Nursing homes expect to have no option but to pass this cost on to their patients.

Now that the Canadian Council on Social Development and other national social policy organizations have issued an indictment of this government's current funding policies regarding medicare, I ask the minister if his government will continue to allow the GST to be aimed at the pension cheques of the chronically ill.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member stretches rather far in trying to link the various allegations that she makes.

She knows full well that sitting before the Senate right now is legislation that would allow cheques to go out to millions of low income Canadians as part of the GST tax rebate. If her colleagues who are barricading that in the

Point of Order

Senate would get moving, those Canadian families earning less than $30,000 a year would benefit.

What we need from the other side is its co-operation in order to get these cheques into the hands of these Canadians.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to bring to the attention of hon. members the presence in the gallery of the recipients of this year's Persons Award: Geraldine Bailey, Mrs. Jean Scott, Mrs. Helen Hnatyshyn, Madame Thérèse Dallaire-Laplante, Mrs. Irene Grant, and Madame Délie Gallien-Chiasson.

Some hon. members: Hear, hear.

Mr. Speaker: I also wish to draw to the attention of members the presence in the gallery of Mr. Richard Thornburgh, U.S. Attorney General.

Some hon. members: Hear, hear.

Mr. Speaker: I think I am obligated to say something to the House and to one of our hon. members.

When I made the remark that I would hope the hon. member in putting his supplemental would make it clear that he was dissociating himself from what took place here, that may have implied a presumption which was not proper for me to make. I say to the hon. member that I did not mean to leave that presumption, and I hope the hon. member will accept my apology.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Jack Shields (Athabasca): Mr. Speaker, during Question Period when the member for Windsor—St. Clair was dissociating himself from the demonstration that took place today, unfortunately I said to him: "We don't believe you, Howard". I wish to apologize to him most sincerely.

An hon. member: We don't believe you.

Mr. Shields: It was most unparliamentary and I realize that.

I also wish to apologize to all hon. friends in the House, my colleagues. I wish to withdraw that remark.

Unfortunately it cannot be taken off the record. For that I am truly sorry and I wish to extend my sincere apology.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the hon. member for Windsor—St. Clair and indeed all members of our caucus were impugned today by the government members trying to intimate that we were associated with the demonstration in the gallery. As leader of party, I want to say that we would—

Mr. Siddon: It wouldn't happen by accident.

Ms. McLaughlin: The Minister of Indian Affairs and Northern Development now says it would not happen by accident. I want to say to the minister and to all members on the other side that I dissociate myself, but I should not have to say that as members of Parliament we do not condone that kind of demonstration. We have never condoned that kind of demonstration, and we should not have to say we dissociate ourselves. It should be assumed that members of Parliament do not appreciate that kind of behaviour from the gallery.

I appreciate your comments, Mr. Speaker, and the comments of the previous speaker about withdrawing his comments; but I would ask the Deputy Prime Minister who has left, or someone speaking on behalf of the Deputy Prime Minister, to offer to withdraw the remarks of all of the government members on the other side.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, part of our role in this Chamber and as officers of this House, as Whips, is to try to maintain decorum in the House.

I have been rising in this Chamber since I became aware of a situation last week about statements made by the House leader of the New Democratic Party about members of the government caucus. Those comments are untrue and they are known to be untrue, and they have not been apologized for. There has not been an adequate opportunity for me to argue the question of privilege, and that is partly what has gone wrong in this House. It began on October 11 on a very serious issue with—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member may be referring to an argument which he commenced by way of a question of privilege. That argument will of course be heard as soon as the hon. member for Kamloops returns.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on the same point of order. The cards that were thrown on the floor of the House were all signed. Perhaps the government could answer each one and tell these people this is not the right way to communicate with Canadians.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. I understand how easy it is for members to say things that they might think is a statement in levity that can nonetheless have the effect of departing from the practices of this House.

My friend, the hon. member for York South—Weston, in response to the apology that was just uttered by my colleague from Athabasca, said that he did not believe that statement. It may be that the statement was uttered tongue in cheek, as is suggested. That may be the case.

I have been in the House, Mr. Speaker, for 16 years—

An hon. member: Eighteen years.

Mr. Clark (Yellowhead): Eighteen years. I have been travelling a lot. I know, Sir, that the standards of this House when they decline, decline gradually. People do not intend that they decline but they decline nonetheless.

I think the hon. member for York South—Weston is a serious parliamentarian who would want the standards of this House to be respected. I would consequently ask him, one colleague to another, if he would stand in his place and withdraw those remarks.

• (1510)

Mr. John Nunziata (York South—Weston): Mr. Speaker, I just wish to indicate that I fully subscribe to the standards as advocated by the member who just spoke.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on the same point as the hon. member for Yukon rose on.

I have not yet heard from the government side an indication of whether it felt it was appropriate for not

just one, not just two, but many members including cabinet ministers to drown out the member for Windsor—St. Clair when he attempted to put his supplementary question.

I believe, Sir, that that was impugning the motive of the member for Windsor—St. Clair. I think it is a matter that you should reflect upon, review the tapes and review *Hansard* to see in fact if the privilege of the member has been infringed upon.

Second, at the time when my leader rose, the Minister of Indian Affairs and Northern Development said: "That was no accident" with regard to the matter of the demonstration and its so-called relationship to this caucus.

I would ask you, Mr. Speaker, if you could review the "blues" and, if you find that those words were recorded, take the appropriate steps to ensure that the minister withdraws those remarks.

Mr. Howard McCurdy (Windsor—St. Clair): First of all, Your Honour, I would like to express my appreciation for your gracious remarks with respect to a statement that you made that could have been misunderstood. I thank you very much for that, Sir.

To the hon. member for Athabasca, let me express my appreciation for his apology for a remark that I did not myself attach a great deal of significance to.

I do not think that there could have been any serious suspicion or inclination among the vast majority of members of this House that I would have had anything to do with behaviour in the gallery, such as was unfortunate to have taken place, as we all agree.

But I have to say this: when people have watched this House on their television sets it will not be the ill behaviour of those students that they will remember; it will be the ill behaviour of the members on the other side.

We have a considerable problem in maintaining the trust and respect of the people of Canada. There is little doubt that our status has decreased still more when we see near bedlam on the government side that is inappropriate to this House. I hope that I never have to experience it again.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, to the point of order that has been raised, the only question that ought to be before the House is whether or not the House, in the event of any incidents or demonstration here, would ever want to make the mistake of presuming the involvement on the basis of absolutely no evidence whatsoever of any member, whether he or she is an independent member, a member of the New Democratic Party, a member of the Liberal Party, or a member of the Conservative Party.

That is the only issue. Does this House make an automatic presumption of involvement of a member in a demonstration from the gallery? All members reject that kind of behaviour.

I think the Speaker today has served this House well with the remarks you have made, Mr. Speaker. I think most other matters subsequent to your comments are matters of debate and partisanship. We ought to quit while we are ahead.

Mr. Speaker: First of all I want to thank the hon. member for his comment and I want to thank other hon. members for the support on both sides of the House for that.

I will consider carefully what has been said. If it is appropriate to come back to the House and report, I shall do so.

I think it is clear to all of us, not just to members here but to the public that is watching and listening, that we have an obligation to maintain as much dignity and civility in this place as is possible, given the fact that it is not a tea party and it is a vigorous place of debate.

I think that that is the general mood of all hon. members and I think I am accurately expressing that mood.

We will move on to Routine Proceedings.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

51ST REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the 51st report of the Striking Committee.

Routine Proceedings

FOURTH REPORT OF STANDING COMMITTEE ON ENVIRONMENT

Hon. David MacDonald (Rosedale): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Environment with the title *No Time to Lose: The Challenge of Global Warming*.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response within 150 days.

May I say, Mr. Speaker, for those who have followed the work of the committee, we have had more than a year of meetings, heard some 60 witnesses and more than 200 submissions.

We are tabling an interim report at this time in advance of our final and full report because of the very important second world climate conference that will take place near the end of this month and early in November at which our government will be called upon to play a key role.

We believe that the matters to be addressed there are so urgent that literally, as the title of this report says, there is no time to lose. We anticipate the 17 recommendations put forward by this all-party committee will be very seriously considered and acted upon with respect to our leadership at that important conference.

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

* * *

ALL-NUMERIC DATES AND TIMES ACT

MEASURE TO ENACT

Mr. Ross Stevenson (Durham) moved for leave to introduce Bill C-338, an act to establish a national standard for the representation of dates and times in all-numeric form.

He said: The designation of dates in a numeric form can be very confusing as it is often difficult to tell which number is the day and which number is the month. After the year 2000 we can see a situation of 02/03/04, not knowing what is day, month, or year.

International standards organizations are pressing for the universal adoption of a non-confusing process for giving dates and times. Standards have been agreed upon and recommendations have been made. The order would be year, month, and day. There is no specific federal legislation or agency responsible for or with jurisdiction over such matters now. I believe this bill would end much of the present confusion.

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

* * *

• (1520)

MIDDLE EAST

REQUEST FOR COMMITTEE TO TRAVEL

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today under Routine Proceedings to seek the unanimous consent of the House to put the following motion. I move:

> That this House establish a special committee of members and empower them to travel to the Middle East region, consult with members of the Canadian Armed Forces, observe all aspects of their operations and report its findings and recommendations back to this House at the earliest opportunity.

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the member to move the motion?

Some hon. members: No.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, it is my honour and privilege to rise pursuant to Standing Order 36 to present a petition which has been duly certified by the clerk of petitions.

This petition is from 63 of my constituents. They are from the Port Blandford area and another distinct area of my riding; Perry's Cove, Salmon Cove, Carbonear and Harbour Grace.

These petitioners are very concerned that they now need 14 weeks instead of 10 weeks to qualify for unemployment insurance in Newfoundland for the whole of the year. They note that the unemployment rate in Newfoundland, as I think everybody in this House knows, is the highest in the country. Therefore, the petitioners—and I am very pleased to note that the minister relevant to this is in the House today—humbly pray and call upon Parliament in the loudest possible voice to introduce the variable entrance requirement

without delay. This will enable them to qualify for unemployment insurance in 10 weeks instead of 14.

GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present to the House further petitions supporting the previous petitioners who object to the Tory government imposing the 7 per cent GST on books, newspapers and magazines. Such a tax on printed material is a tax on literacy and has never been imposed by any federal government since Confederation.

On behalf of the petitioners I thank the other House for refusing to pass the GST legislation.

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today under Standing Order 36 to present three petitions signed by residents of Canada who now avail themselves of their ancient and undoubted right to present a grievance.

The petitioners, in certain assurance that this honourable House will therefore provide a remedy, humbly pray and call upon Parliament to instruct the government to hold our Canadian marketing systems up as an example to the rest of the world, and protect them in their entirety at all costs in the current round of GATT negotiations.

These dairy and poultry farmers come from Ontario communities such as Kerwood, Watford, Alvinston, Pretolia, Croton, Forest, Camlachie, Strathroy, Inwood, Cambridge, Woodstock, and so on. They are representative of the province of Ontario.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise under Standing Order 36 to present a petition to the House from members of the Canadian poultry industry, mainly those in Ontario.

The petitioners call upon this Parliament to reject any proposals involving tariffication of a supply managed product, any increase in minimum import provisions and any increased access to the Canadian market involving poultry products as now being discussed by this government at the GATT negotiations.

These petitioners do humbly pray and ask this House to follow their petition.

GOODS AND SERVICES TAX

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36, I want to introduce six petitions from citizens of my riding expressing strong opposition to the GST and supporting the Senate in their actions.

RIGHTS OF THE UNBORN

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under the provisions of Standing Order 36.

It is my duty to present this petition. I will say ahead of time that I do not agree with its contents but as the member of Parliament for Brant I feel obligated to present it.

The petition says wherefore, the undersigned, your petitioners humbly pray and call upon Parliament to enact legislation which will effectively protect the life of the pre-born child. This petition is from the anti-abortion people in my riding in Brantford, Paris and so on.

As I say, I do not agree with the content of it but I am presenting this petition.

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to present a petition signed by many Canadians who are appalled by this government's new foray into taxing books.

The petitioners indicate that they believe that the uninhibited dissemination of the printed word is a cornerstone of democracy. In this particular day and age when so much talk and effort has been put into creating a literate society, it seems that the GST legislation is going in the opposite direction.

These petitioners humbly pray that this government sees fit to listen to some sense and to withdraw the GST legislation.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to present a petition today on behalf of residents of southern Ontario, whereby they recite the importance of newspapers, books and periodicals to a functioning literate democracy.

They call upon the government to not tax these articles under the GST.

[*Translation*]

CANADIAN NATIONAL PENSION PLAN

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour of tabling a petition signed by hundreds of pensioners and organized by the CN Pensioners Association. Mr. Speaker, your petitioners say that a parliamentary sub-committee representing all parties was formed by an order of this House on April 17, 1985, to examine the various aspects of the Canadian National Pension Plan.

Mr. Speaker, your petitioners call upon Parliament to table a bill ordering Canadian National Railways to implement immediately all the committee's recommendations on pensions.

[*English*]

VIA RAIL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a second petition which points out that whereas the railway passenger service in Canada has been carried on by VIA Rail, it is essential for many Canadians, and has been a part of Canada for more than 100 years, it notes the savage cuts of the Conservative government in funding for VIA Rail.

It points out that this could result in a serious erosion in national passenger railway service in this country. Therefore, it calls upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger service.

GOODS AND SERVICES TAX

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present one of the hundreds of petitions that I have received from constituents in the city of Vancouver, as well as from the municipality of Burnaby, concerning the Minister of Finance's proposed goods and services tax.

They point out that it is an unfair and regressive form of taxation because of its lack of regard for taxpayers' ability to pay. It points out that the government is now trying to tax reading, haircuts, diapers, coffins and home heating fuels.

The petitioners urge the government to reject the current proposal for a goods and services tax and to reform the taxation system in this country so there is an effective minimum tax on wealthy individuals and corporations, and a truly progressive system rather than this destructive and regressive goods and services tax.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise and present a petition signed by numerous residents of the Toronto area in the province of Ontario.

These petitioners call upon Parliament to reject the goods and services tax in so far as it applies to books, newspapers, magazines and periodicals.

The thing that surprises me, if I may say so, is that no members on the other side of the House from the Toronto area rise to present such petitions. One can only assume that their constituents are appalled at their support of this tax and are delivering the petitions to us to file in this House because of the failure of their members to stand up and reject this tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty today to table a petition signed by several Canadians. It deals with the important subject of books, magazines, newspapers and this government's plan to introduce a tax on magazines, books and newspapers. This is a tax on learning.

Literacy is the cornerstone of democracy, culture, and education. The productive end of all this is that we have a better educated population. It is wrong, in view of these petitioners, to tax Canadians on their books, magazines and newspapers.

• (1530)

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, today, I have the honour of tabling a petition concerning the GST on books, periodicals and newspapers. I think it is shocking that this government does not support education, literature, libraries, reading, heritage languages and, both official languages, and discourages people from learning more by cutting the public's available income by 7 per cent, as a result, of the GST.

Mr. Speaker, this petition is signed by a number of Canadians.

[*English*]

INDIAN AFFAIRS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I would like to present a petition, under Standing Order 36, signed by native residents of my riding of Cochrane—Superior, more specifically from Moose Factory, Long Lake, and Geraldton, Ontario.

On behalf of these 200 natives, I request the federal government to deal in a just manner with the struggle of all aboriginal peoples in Canada to have their land claims and rights properly addressed. Inaction on the part of the federal authorities will only continue to antagonize race relations in Canada and provoke dangerous and ignorant acts of racism.

HAZARDOUS WASTE

Mr. Réginald Bélair (Cochrane—Superior): I have a second petition, Mr. Speaker. I present it on behalf of some 450 residents of Hornepayne, who are asking the federal government to cease all efforts to locate hazardous waste sites in the township of Hornepayne.

GOODS AND SERVICES TAX

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a petition signed by a large number of Canadian citizens who protest against the government's attempt to apply the goods and services tax to magazines, books, and newspapers, which they say will inhibit the dissemination of the printed word as a corner-stone of democracy, culture, education, and a literate and productive society.

The petitioners ask Parliament to exempt books, newspapers, and magazines from the said goods and services tax and that the tax be defeated.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I also have the honour to present a petition under Standing Order 36. It deals with the goods and services tax.

The petitioners, all Canadians, ask Parliament to reject this tax on books, magazines, and newspapers as it is a tax on learning. They humbly pray that Parliament will do so.

UNEMPLOYMENT INSURANCE

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, it is my great pleasure to present a petition, probably one of the largest petitions or the one containing the largest number of signatures ever presented in the House.

There are about 16,000 names on this petition, representing every one of the seven federal ridings in Newfoundland and Labrador, the five held by members on this side of the House and two held by the gentlemen from St. John's West and St. John's East respectively.

I am grateful to the Secretary-Treasurer of the Fish, Food and Allied Workers' Union for co-ordinating this petition. It is a petition that affects literally tens of thousands of Newfoundlanders, hence the interest in it.

It addresses the issue of the variable entrance requirements and points out the need for the government to introduce such a resolution, a motion to get the requirements back down to 10 weeks. The petition goes on to point out that the change to 14 weeks has occurred at the same time as substantial reductions in fish quotas which have reduced the amount of work available to many thousands of fishermen and fish plant workers.

I believe the petition speaks eloquently for itself and for the 16,000 people who signed it, as well as many other thousands they represent. I have great pleasure in supporting the prayer of the petition and would hope that the government would see fit to act on it, and act on it soon.

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have two petitions to table in the House today. The first is signed by residents from the Lower Mainland area, Maple Ridge and Mission area.

They call upon the government to get moving and sign the forest agreement so that we can promote more effective and sustainable forestry practices, increase spending on reforestation, and promote genuine sustained yield management of our forests.

AIRLINE INDUSTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): The second petition, Mr. Speaker, from the same wonderful communities in British Columbia, is a petition related to deregulation in the airline industry. It is particularly relevant, not just for the lower mainland of British Columbia, but in light of recent announcements by Canadian Airlines reducing their service to northern B.C. I dare them to reduce the service to Prince George.

These constituents and petitioners are concerned about deregulation in the airline industry.

PREVENTION OF CRUELTY TO ANIMALS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, it is my pleasure today to rise, under Standing Order 36, to present a petition signed by 2,650 residents, principally of Calgary but, as well, other parts of Alberta and indeed across Canada.

The petitioners' prayer has to do with prevention of and punishing of acts of obscene cruelty to animals. The prayer states:

> WHEREFORE the undersigned, your Petitioners, humbly pray and call upon Parliament to recognize society's abhorrence of acts of cruelty and violence against animals and amend the Criminal Code of Canada to change Sections 401 and 402 into hybrid offences within the absolute jurisdiction of the provincial court judge, thereby allowing the Crown the option of proceeding by indictment; and raise the penalty for such offences to a maximum of four years' imprisonment.

These people are speaking to the House from the heart. I pray we hear them.

GOODS AND SERVICES TAX

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to present two petitions. The first one is with respect to the goods and services tax and is signed by a number of residents from the northern area of my riding, including the communities of Viscount, Young, and Watrous.

The petitioners indicate that they are opposed to the goods and services tax. They state that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle-income taxpayers to bear more of the national tax burden.

The petitioners call upon the government to withdraw this tax and to ensure that, if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity fort the government to impose a massive tax-grab.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): I also have a petition, Mr. Speaker, signed by a number of farmers from Saskatchewan who are very concerned about the future of the Canadian Wheat Board.

They are upset that the government has chosen to remove oats from the jurisdiction of the Canadian Wheat Board and call upon the government to reinstate oats under the jurisdiction of the Wheat Board and to give oats and barley the same protection that wheat now enjoys, namely that neither of the commodities could be removed unless removed so by Parliament.

GOODS AND SERVICES TAX

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I, too, rise under Standing Order 36 to present petitions signed by a number of people in my riding.

The petitioners point out that it is the first time since Confederation that the Government of Canada proposes to tax the printed word and argue that uninhibited dissemination of the printed word is a corner-stone of democracy, culture, education, and a literate and productive society.

The petitioners pray that Parliament will reaffirm the historic principles embodied in tax-free status for the printed word.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, the fight goes on. I have had the pleasure of presenting petitions from coast to coast against the goods and services tax, from my riding of Okanagan—Similkameen—Merritt and many other areas of Canada.

This time I rise on behalf of the people of Kapuskasing to implore the government to see the error of its ways, as asked by the petitioners, and scrap the goods and services tax, bringing in a tax that is fairer to all Canadians.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some hon. members: Agreed.

MOTIONS FOR PAPERS

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I ask that all notices of motions for production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all notices of motions stand?

[*English*]

Mr. Milliken: I rise on a point of order, Mr. Speaker. I do not know how the government operates on Notices of Motions for the Production of Papers, but they are dealt with only once a week. The government gets lots of notice that these things are going on the *Notice Paper* and then they appear.

• (1540)

I have two on that are quite straightforward. The material that is asked for should be readily available. It must be prepared and submitted by this time, and I have just asked for it. I do not know why the delay.

I wonder if the parliamentary secretary, who I know wants to co-operate with the House, would not perhaps be more forthcoming and say: "Yes, we would agree to that," and table the return. Even if he promised to table it in two weeks, we could adopt the motion. Yet, we are constantly delayed on these things.

I think it is not a reasonable way to proceed. It is certainly not the spirit and the intention of the rule that we proceed in this way. The intention is that we deal with the motions expeditiously. Perhaps the parliamentary secretary does not know that word, but it does mean quickly.

Mr. Cooper: Mr. Speaker, I do not know why the hon. member's motions are not answered at this point. The only assumption I can make is that with each of his requests, we take them seriously, we do a great deal of research, and we want to make sure that the answer he receives is nothing but of the highest quality.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I also have a motion for production of papers, Motion P-29, which humbly calls upon the government "to cause to be laid before this House copies of all letters exchanged by His Excellency and Her Majesty the Queen concerning the application of Section 26 of the Constitution Act".

Mr. Speaker, this is not terribly complicated. If there is no correspondence, they can say so! But if there is for Heaven's sake please release the letters, because we have a crisis on our hands in this country. There is a crisis in the Senate. It might help us understand what is going on.

GOVERNMENT ORDERS

[*English*]

IRAQ

INVASION OF KUWAIT

The House resumed from Thursday, September 27, consideration of the motion of Mr. Clark (Yellowhead):

> That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the United Nations Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2 and for the despatch of members of the Canadian Forces to take part in the multinational military effort in and around the Arabian Peninsula; and
>
> That, upon adoption of this motion, the said motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

and the amendment of Mr. Axworthy (Winnipeg South Centre):

> That the motion be amended after the words "Canadian Forces" and read:
>
> enforce these United Nations resolutions;
>
> That this House censure the government for not recalling Parliament at the earliest opportunity to fulfil its legitimate function of consultation and debate as to what role Canada should play in the resolution of the present crisis; and
>
> That upon adoption of this motion, the said motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

and the subamendment of Ms. McLaughlin:

> That the motion be amended by adding the following after the word "resolutions"

And further, that Canada work at the Security Council to seek assurances that no country will undertake offensive military operations against Iraq unless they are under UN command and explicitly authorized by the Security Council.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I am glad that I did not have to wait any longer than I already have to enter into the debate on this very serious issue.

In my riding of Dartmouth since the beginning of August, there has been one over-riding issue. I know many times that things such as the government's unconscionable GST, its regressive social programs, and its destructive economic programs take the forefront.

I come from a fairly special riding. My riding borders the shores of Halifax Harbour. It is a riding, the city of Dartmouth, that has a very strong military tradition. It is a riding which looks out on the Bedford Basin where the allied convoys used to assemble before they went over to fight that great war for liberty and freedom, the Second World War.

My riding of Dartmouth has grown accustomed to standing on the shores and to waving good-bye, then to her men, and today to her men and women who have chosen to give and dedicate their lives to the service of the country through the Canadian Armed Forces.

I am pleased to rise in this debate today, because perhaps nowhere else in the country is a single riding more affected by the actions of the government when it decided to send the three naval vessels—HMCS *Athabaskan*, HMCS *Terra Nova*, and HMCS *Protecteur*—into the Middle East, than the riding of Dartmouth.

On those three vessels, there are about 924 men and women. My colleague from Halifax and I sometimes disagree on the split, but of those 924 men and women, probably at least 50 per cent, and perhaps about 60 per cent, live in the riding of Dartmouth. Most of the rest of them live in the riding of Halifax.

I want to say from the outset that I support in principle, the Canadian government's actions in condemning the invasion of Kuwait by Iraq, by joining later with the United Nations and nations from around the world to say: "This type of activity cannot be allowed to go unchallenged. Canada will do the right thing and will participate in the naval blockade of Iraq." I support that.

It is in the finest of traditions of the Canadian Armed Forces, when called upon, to go to protect sovereignty of states and to protect freedoms. But, there was a problem. The problem was when this unprecedented action was taken because of unprecedented circumstances in the Middle East.

When Iraq decided to take over the sovereign state of Kuwait, the government forgot one fundamental thing. That fundamental thing was that it should have recalled Parliament so that the Canadian members of Parliament, the people of Canada, the people who serve in the Canadian Armed Forces and their families were kept fully abreast of the reasons why this action was taken. Instead, this government chose differently. It was a summer of hiding for this government, in particular this Prime Minister. He was under fire on the economic front, on the constitutional front, on the trustworthiness front and what he wanted to do was hide. Even though this unprecedented action was taken to send our Canadian navy into a potential theatre of war, he did not do the right thing and that was recall this Parliament, do it immediately, to seek a national consensus so that when our men and women of the Canadian navy went overseas they knew that they had the nation of Canada behind them.

This is not a small error. I have spoken to many men and women who live in my constituency who have dedicated themselves to the service of the country through the Canadian Armed Forces. They said they were proud to do their bit. They were proud even though our equipment is not what we should have to show that we are the best trained military in the world. They were proud to do their part, but they were bitterly disappointed that the Prime Minister and the Government of Canada chose political expediency over the proper parliamentary and moral thing to do, and that was to recall this Parliament. The debate that we are having today, in the middle of October, should have taken place at the beginning of August, but the government chose not to do that. It was the summer of the nation's discontent. It was the summer that this government went into hiding.

Our party urged the government to recall Parliament and to do it immediately. We did not come out and take cheap, partisan, political shots. We understood the severity and the complexity of what was happening over in the Middle East. We understood the implications for all freedom-loving nations if this action was allowed to

go unchallenged. But, we also understood that we do not live in a dictatorship; we do not live in a one-party state; we do not live with a president for life. We live in a parliamentary democracy where issues such as this should be properly debated on the floor of this place.

Mr. Speaker, I started to talk about my riding and I will give you a little more background on my riding. I said it had a strong naval tradition, and it has. In my riding we have the air support base, CFB Shearwater. CFB Shearwater was better known, I guess, during the Second World War as RCAF Station Dartmouth. At the present time, CFB Shearwater probably has 1,000 military personnel and 600 to 800 civilian personnel working on that base. The Canadian navy employs thousands of individuals. A lot of those people live in my riding, as I said earlier.

We tried to figure out one day how many people living in the city of Dartmouth and its surrounding area, on the Dartmouth side of the harbour, depended on the Canadian military for a living. We came up with a figure of about 16,000. Sixteen thousand individuals living in my riding are serving in the Canadian Armed Forces and serving proudly. So it is little wonder that on August 22, Alderman Gloria McCluskey from the city of Dartmouth was driven by an overwhelming desire to show support for those military families, for the men, women, and children, who were left behind. She organized, on the Dartmouth waterfront, with very little advance notice, a ribbon tying to show those people who give so much to my community and Dartmouth, the men and women of the Canadian Armed Forces and their families, that we supported them and that we were going to be with them in this time of uncertainty and that we would like to show our solidarity with them over the coming weeks and months. There were literally thousands of yellow ribbons tied on both sides of Halifax Harbour.

• (1550)

I have been involved in a lot of functions; some fun, some not so fun, and some tragic. Up until that point in time I have never been as moved or as touched as I was at that ribbon tie. There were a lot of tears of uncertainty from spouses and children. the men and women spoke to me that day. It was not a partisan debate. It was a day for support.

They said: "Mr. MacDonald, why do we have to turn on CNN *Headline News* at six o'clock to find out what is going on in the Persian Gulf while my husband, my son, or my daughter is being sent over? What in the name of goodness is wrong with this country when the Prime Minister, the Minister of National Defence, and the government in Ottawa have a gag order on? Why do I have to watch the evening news to find out what Maggie Thatcher, the Prime Minister of England, has said in her House of Commons? Why do we have to rely on foreign media to find out what in the name of goodness our troops were being sent over to fight against and what was going to face them when they were there?"

It is a national tragedy what the government did to those men and women and their families during the period of time until debate took place on the floor of this House. It is a national tragedy. It is shocking.

Until August 22, I had never been involved in an event that was so moving. Two or three days later on August 24, the vessels left Halifax Harbour. I have read a lot about the Second World War and about the role of Halifax in the Second World War, the importance of convoys assembled in Bedford Basin to be sent overseas, many never to return again. I have read about it. I felt it that day when the three naval vessels, the *Athabaskan*, the *Terra Nova* and the *Protecteur* left the harbour.

My colleague from Halifax was there. She can attest to it. It was an incredible afternoon. The three naval vessels did a salute past while we sat on the reviewing stand. There were tens of thousands of individuals from Halifax-Dartmouth and farther afield, from 100 miles away, who came to say to those men and women "Godspeed. We wish you well. We support you. We are concerned just like you are. God bless you all and I hope that you are back real soon". That is why they were there.

There is a member opposite who, if he wants to get into the debate, should perhaps put his name on the list on the other side.

Do you know one of the problems that day? The Prime Minister had a chance to redeem himself. He did not bother to recall Parliament because he was afraid that his political hide would be ripped off him in this place for his policies and blunders through the spring and summer of this year. He did not even bother to show up on the Halifax waterfront to see off those 924 men and women who by his orders were going into a potential theatre of

war, to wish them well as the Prime Minister of this country.

An hon. member: Shame.

Mr. MacDonald (Dartmouth): Do you know what he did? He made a decision and it says a lot about the Prime Minister. He made a decision that it was more important for that Prime Minister to meet with his Quebec caucus than it was to see the men and women off who were serving on those vessels and on the Sea King helicopters.

Ms. Clancy: Many of them from the province of Quebec.

Mr. MacDonald (Dartmouth): Many of them from the province of Quebec. He made a more important decision, to try to put out the fires that were raging uncontrolled in his Quebec caucus. He acted more as the Leader of the Progressive Conservative Party than he did as the Prime Minister of this country. That is an insult that the men and women of the Canadian Armed Forces and in the riding I represent and my colleague from Halifax represent for which he will never ever be forgiven.

The orders were given. What did the Prime Minister do? You wonder why people are cynical. Under great pressure from editorial boards, from Canadians from coast to coast, and from parliamentarians to recall Parliament, he waited. He waited until the final hour, a really courageous move. He waited until 10 days before he knew that this place had to resume sitting before he got the order-in-council from the Governor General and indicated that the troops would be put on operational alert in a potential theatre of war. That is the backdrop to the motion that we are debating today.

My colleagues and I in the Liberal Party support the Canadian Armed Forces. We have risen time and again in this House on this matter. We see this again today in the paper. At a time that the Canadian military has been told to stretch the resources to the limit because of the unprecedented crisis in the Persian Gulf, we read in the papers that one of the naval vessels that went over had to get a cannon installed on its deck that had to be taken out of a museum in Halifax.

We saw the ships go into a 10 or 12-day refit. They had to take armaments that were destined for the frigates being completed in Saint John and the frigate replacement program and put them on the decks of those vessels. They did that because this government loves to talk, especially around election time, about its commitment to the Canadian Armed Forces. Shortly after elections, we know where their commitments go. They are written in invisible ink when it comes to the Canadian Armed Forces. They cancelled Phase III of the Frigate Replacement Program. They carried out base closures from coast to coast in this country.

Just today, while we had those three vessels and the CF-18s in the Middle East, the Minister of National Defence is quoted in the paper as saying: "Hey, boys, be prepared, big cuts coming." If they cut them any more they will have to go on gas rations in the Persian Gulf to get those vessels home. That is a fact.

The people on this side of the House support the men and women of the Canadian Armed Forces who are doing their best with outdated equipment under the threatened knife of further government cutting and under the incredible indifference of the Prime Minister. The men and women of the Canadian forces are still doing the best job they can with the resources that have been given to them.

We saw in Halifax and Dartmouth the 2,000 or so people who worked at the dockyards doing an absolutely incredible job. They refitted those three vessels in 10 days. It was incredible the job that they did in the short period of time that they were given to do it. It is those same individuals at the dockyard that this government refused in 1988 when they were negotiating a contract to give them wage parity with their counterparts on the west coast. It seems this government is intent on perpetuating wage discrimination based on where you live and not what job you do.

The Prime Minister in debate on this motion said that the employees of the dockyards in Halifax and Dartmouth should be commended for the fine job they did. I just hope that those words translate into a fair contract because their contract has come back up for negotiation. It is a contract that should, once and for all, get rid of regional rates of pay and an abhorrent bit of wage discrimination.

For the second time, I sought unanimous consent of this House to introduce a motion. The motion would have done the following. It would have established a committee from all sides of this House to travel to the Middle East, not in six weeks time or two months time when the government needs a diversion, but right now. The government has sent over 1,000 men and women into that area. I and people on this side of the House felt that it was proper that a committee of this place be struck of members to go over and observe the conditions under which our men and women and our equipment is operating, talk with them and report back with recommendations at the earliest possible opportunity.

I have sought unanimous consent of the House twice, and twice it was refused. I give this House notice that I will continue to rise under Routine Proceedings to put that motion until the people opposite see the sense in what I am trying to do. We want some accountability and reportability. We want to support the men and women that this government has sent to the Persian Gulf. Perhaps some day that will come about.

In conclusion, the motion that is before us, the main motion, not the subamendment and the amendment, is a motion that everybody in this House, I would hope, would like to support. But there is a problem with the motion.

• (1600)

I do not understand why the government has to try to play politics with every single issue that comes up. It could very easily have consulted with the House leaders of the Official Opposition and of the New Democratic Party, and it could have come up with a resolution that was supportable by all sides of this House.

This is a national issue. It is not a partisan issue for these people opposite to play with. After the summer of discontent and the summer that they hid in the woods. They had to come back with a motion that they knew some members of this place were going to have great difficulty in supporting, because the motion would mean that not only do we support the men and women of the Canadian Armed Forces but we support this government's censuring of public opinion and parliamentary debate on issues as serious as the one that is before this House now.

In conclusion, I would hope members opposite, the House leader opposite and the Whip opposite will continue to listen to leadership on this side of the House. We are trying very hard to come up with the solution so that by the time these resolutions come to a debate the men and women of the Canadian Armed Forces will have no question in their minds but that their actions on behalf of this government and the people of Canada are supported by members of Parliament, and that the motion that is put forward is one that does not have the traditional attachments to it to try to reap some benefits on this very sad situation to members of the government.

I would hope that by the time that motion is put cooler heads and less partisan heads will prevail on the other side and that the men and women of the Canadian Armed Forces will know that they are supported by parliamentarians.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I do not necessarily have a question, but I do have a comment to make to the hon. member for Dartmouth.

Just last Sunday I met with Janet van Nostrand, a woman whose son is serving on the *Athabaskan*. We talked for several minutes. Young Lieutenant John has been in the Armed Services for about five years. He is 29 years old and a graduate of engineering from the University of Toronto. Janet and her husband, Dr. Peter, talked to John on Sunday morning, September 30. John relayed that morale was high and spirits were good. The working order of the HMCS *Athabaskan* was functioning well. He made a point of saying that.

I just want to express the thought to the hon. member that I feel a little uncomfortable in how political he seems to try to make this situation.

Some hon. members: Oh, oh.

Mr. Attewell: A thought went through my mind about these brave men and women serving over there who are obviously nervous and wondering what the future holds, it is such a powder keg over there. If we were to play back the hon. member's speech, I was wondering whether that would help their morale, their pride and so on. I do take a little exception here. I think they would rather have us thinking about things that will help them with their confidence, humbly praying for their return, and not making a political harangue of this situation.

Yes, it is a very serious situation over there. We do not know from hour to hour what might be happening. I would just like to see us concentrating on our faith, hope and prayers for these young men and women. We are all so proud of them, especially in our own particular case, this John van Nostrand, a fifth generation young man from the village of Vandorf where I live.

I want to stay on a high note of pride for these young men and women. Let us get this partisan politics out of the discussion.

Mr. MacDonald (Dartmouth): Mr. Speaker, first of all, I would like to commend my hon. friend. I believe that his concern for the men and women of the Canadian Armed Forces is genuine. I wish to assure him that I think all members of the House share the same concern.

But, Mr. Speaker, to get up and say let us not talk about how this government screwed up and how it handled the situation is a bit too much for me to handle. For the member to get up and tell me that what we should really be doing is forgetting the events that transpired during the summer months is a bit too much for me to handle.

There is nobody who is more concerned in this House for the men and women of the Canadian Armed Forces than I am, Perhaps my hon. colleague over there is a close second. I for one am not going to forget what this Prime Minister and this government have done and the slap in the face they have given the men and women of the Canadian Armed Forces who are doing their jobs over there. We wanted to do our jobs in this place, but the Prime Minister did not allow us to do that.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, since my comment is to the hon. member, I will use his language.

I thank him for his remarkable exposé that he just made. He may feel that he is a new member here but he has already shown an extraordinary—and I do not want to be pompous— sensitivity and a comprehension of a very important debate. He knows this has been quite a day for me. To say that, I mean it totally and absolutely. I want to thank him for that unbelievable understanding of the meaning of what we are all about to do.

It is no secret. He knows that I disagree with the government motion. It is no secret and I will say that in my speech if I have a chance to make it. I disagree with having sent soldiers. That is another matter. At least he has shown in his own speech that he understands.

I have a question I would like to ask him about his motion. He knows that I am very concerned and my colleagues know it. At least if they didn't, they know it since this morning. He referred to a special committee, and I agree with that. I would like to ask him what he means by travel to the Middle East region to consult with members of the Canadian Armed Forces.

By the Middle East region does he mean just where Canadians are or, in order to have a better understanding of the entire picture, that the time has come for colleagues not to go where Canadians may be attacked soon but to have a feeling and a better understanding of what I have been trying to convey to this House ever since I arrived here, especially since 1970, with all due respect to all my colleagues? Can my hon. colleague who made that speech please help me out in understanding his resolution?

Mr. MacDonald (Dartmouth): Mr. Speaker, I would be pleased to. I have introduced this motion twice. I think it is incredibly important at this point in time where we could be facing a major confrontation in the Middle East that parliamentarians have a first-hand observation so that they can come back to this place and have a better and fuller debate, not just based on what is happening on CNN news in the evening.

If we are now getting into a situation where we could be potentially sending tens of thousands of Canadian men and women in the Armed Forces to fight in a war that could happen if diplomatic efforts fail, I think it is very important that members of this House make every effort to apprise themselves on a first-hand basis of all of the political happenings that are now taking place in the Middle East. Anybody that is watching this situation develop knows that it is not just a problem between two states. It is a problem involving a number of states which is extremely fluid, and it is changing on an hourly or daily basis.

My primary concern is that we go and find out exactly what conditions our men and women are operating under currently, so that we can come back to this place and do not have to listen to third-hand departmental reports given out in the House here as to how the Canadian vessels or the Sea King helicopters are standing up. We could also look at the broader political situation that is evolving so that when we make a decision, if God forbid we ever have to make a decision and if the escalation continues, we will make a decision

on what we will do with the Canadian Armed Forces after first-hand knowledge of all of the very difficult and different aspects of this political and military confrontation.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have listened with care to the remarks of the hon. member. I want to commend him for the eloquence with which he spoke and certainly for the concern that he expressed for the members of the Canadian Armed Forces, many of whom as I know live in his constituency and the constituency of the member for Halifax who spoke earlier in this debate. I also want to associate myself with the remarks of the member for Saint-Denis who pointed out the importance of looking at a broader regional approach to this question, including looking at the ongoing tragedy of the plight of the Palestinians in that region.

• (1610)

I want to just ask a very straightforward question of the hon. member for Dartmouth with respect to the government motion which is now before this House. There is an amendment which has been proposed by his colleague and a subamendment which we have proposed. I want to ask him, should the amendment and the subamendment be defeated, whether in fact he will be voting against the government motion.

Mr. MacDonald (Dartmouth): Mr. Speaker, I want to thank the hon. member for his comments and for his question. If the hon. member was listening, which I am sure he was, and I know he was busy signing letters, he would have heard at the end of my remarks that I had urged that we not get to a point where there is a vote yea-nay, nay-yea and indifferent and abstained in this House on this particular issue, and that I had hoped that we could come to a consensus where cooler heads would prevail and we could come up with a resolution that basically supported our Canadian Armed Forces.

If the hon. member wants to know whether or not I would condemn the government for not calling Parliament earlier, I would condemn it. If he wants to know if I would support the amendment put forward by the Liberal Party, I would support it. I would hope that by the time we get to the main resolution the government will have seen the error of its ways in bringing phoney, partisan, political overtones to this particular resolution and that we will have a resolution that everyone in this House can support.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired. Resuming debate. The Minister for External Relations.

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I welcome this opportunity to take part in the debate on the crisis in the Persian Gulf and to do so from a somewhat different perspective. As the Minister for External Relations, I am particularly concerned about the people affected by this crisis, so I would like to approach the issue from that perspective.

Mr. Speaker, the act of brutal aggression committed by the Iraqi government has had an overwhelming impact on the lives of the people who were directly affected. Saddam Hussein drove thousands of people from their homes, and because of him, hundreds of the thousands of workers have lost their jobs. They now have no food, no shelter and no money. He has forced these people to ask the international community to help them return to their country of origin.

His invasion of Kuwait may have even more serious consequences, increasing the poverty and dashing the hopes of many of the poorest people and nations in this world. As a member of the global community, Canada has a duty to help those who are in greatest need.

Mr. Speaker, I am proud that Canada was among the first countries and one of the most generous, with its donation last August of $2.5 million to meet the needs of the initial waves of displaced persons that crossed the border from Iraq to Jordan. I am also very proud that from the very beginning, non-governmental organizations in this country provided support for aid and air transport operations. These dedicated people have maintained a Canadian presence in the most desperate situations.

I am also proud of the fact that when conditions in the evacuation camps deteriorated to the point of near-chaos and relief teams were hardpressed to help with the ever increasing flow of refugees, Canada asked the

United Nations to appoint a special representative in charge of supervising relief operations.

Secretary General Perez de Cuellar appointed Prince Saddrudin Agha Khan. According to the latest news, the situation in the camps has improved considerably and air transport operations are now better organized.

Since the beginning of October, more than 300,000 people have been repatriated, thanks to the concerted efforts of the UN and bilateral action by Pakistan, Egypt and other countries.

However, Mr. Speaker, there are still thousands of foreign workers in Iraq and Kuwait, and the situation remains explosive. New waves of refugees fleeing Iraq and Kuwait are still reaching the borders.

Canada is prepared to continue its assistance. On September 14, the Prime Minister announced that an additional $75 million in humanitarian and economic aid would be set aside to help people directly affected by the crisis. This money will be used partly to charter Canadian planes that will take displaced persons back to their countries of origin, including Bangladesh, the Philippines, Pakistan, Sri Lanka, India and the Arab Republic of Egypt.

On September 28, Canada rushed an additional $4 million to the International Organization for Migration, to be used for evacuating refugees by air. This was in addition to the million dollars already donated to the organization at the beginning of the crisis. IOM executives contracted a Canadian air carrier for these shuttle flights.

Part of the $75 million will be used to provide for the basic needs of displaced people in evacuation camps, including water, food, shelter and medical care. Part of these funds will also be used to assist resettlement in the country of origin.

In the countries least equipped to cope with the mass of returning nationals, assistance will be needed to build new housing, support educational programs and reintegrate returning nationals in the labour market.

I can assure the House that the plight of these displaced persons is our most pressing concern. My representatives are now consulting with Canadian missions in the region and in the countries affected by the crisis, as well as with international organizations on the spot and the governments of the countries concerned, to finalize Canada's aid program for these people.

International relief organizations and NGOs will also play an essential role in channelling our assistance.

[*English*]

Canada will also provide economic assistance to the countries of the region most severely affected by the impact of the crisis and of the sanctions, especially Jordan, Egypt and Turkey.

In Jordan, it is estimated that some 30 per cent of total Gross National Product will be lost this year through trade losses, through increases in the price of oil and through lost remittances from Jordanians who once worked in Iraq and Kuwait.

Egypt and Turkey too will suffer significant losses for economies with little resilience to external shocks such as these. I have asked my officials to provide me with a detailed assessment of how Canada can best respond to the needs of these countries and those populations. Consultations are under way with other potential donors and the countries in question.

We will ensure that this additional Canadian assistance is used effectively to relieve hardship, to adjust to the economic shock and to help keep the process of development on track.

Our world has become increasingly interdependent. Other countries further from the region will also be affected by the impact of the Gulf crisis.

Many countries in eastern Europe have launched a dramatic, but still fragile, process of political and economic transformation. Their ability to manage the basic economic adjustment to market economies is hampered by the burden of oil price increases, which is further compounded by the need to now pay in expensive, hard currency.

The developing world too will be affected and I am factoring in the longer term consequences of the gulf crisis in our over-all assistance planning. The scenario for many developing countries is not good, but much will depend on the longer term price of oil.

• (1620)

Higher oil prices affect both the developed and the developing world, but the consequences in the developing world, particularly the low-income countries, are much harder to manage.

In addition to coping with higher prices for imported oil, developing countries might find weaker markets for their exports if global growth is negatively affected by the increase in the price of oil and if inflation and interest rates increase.

Developing countries are much more vulnerable than developed countries to such changes in the global economy. Many may well have difficulty paying their import bills and in continuing to finance important government programs.

[*Translation*]

Mr. Speaker, the extent of the problem and the response of the international donor community were the focus of discussions at the annual meetings of the International Monetary Fund and the World Bank, which I attended.

It is essential to proceed with a joint analysis of the extent of the impact on developing countries and to provide for multilateral co-ordination, if we are to maximize the use of the meagre financial resources at our disposal.

A co-ordination process has been established.

The gulf crisis financial co-ordination group has already met twice, and Canada has been an active participant.

It is clear that growing economic pressures as a result of the crisis will make it very difficult for many developing countries to cope with their debt load.

Canada has been asking for some time for new measures to respond to the ongoing problems of developing countries regarding their debt.

The gulf crisis is even more reason to improve the debt strategy. At the meeting of Commonwealth Finance Ministers in Trinidad and Tobago last September, it was agreed that it would be necessary to take steps to improve the "Toronto terms" used to re-schedule the official debt to the Paris Club.

I am confident that this is a first step towards a broader, international consensus that is necessary if we are to improve assistance to developing countries that are having trouble re-scheduling their official debt to the Paris club.

Mr. Speaker, in concluding I would like to say that the consequences of the actions of Saddam Hussein will not be limited to the Middle East. They will be felt by all countries throughout the world.

Peacekeeping and resisting aggression are also elements on which the future of developing countries depends. As a citizen of the world, Canada will not forget the needs of the poorest people and countries of this planet.

Mr. Speaker, I think we are all aware of the wide-reaching consequences of the crisis in the Persian Gulf, and I believe that as Canadians, we must consider the disastrous impact of this crisis on the people concerned and make sure these people receive assistance from the international community and Canada, thus giving them hope for a better life in the nearest possible future.

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, when the Prime Minister made his remarks on this issue of committing the Canadian government to up to $75 million to assist some of the problem areas, assist refugees, et cetera, and we heard where some of that $75 million will go today from the Minister for External Relations.

I am wondering if the minister, representing her government here today, could tell this House what her government is doing to assist the Canadian farmers who have lost contracts with the Iraqis. The Prime Minister in this House did hint that his government would consider such compensation to Canadian farmers. I am wondering if she could give us an update as to just how this compensation will work and in what amounts.

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, my colleague's question is very relevant. Indeed, as member of the international community we endorsed and even actively participated in the drafting of the United Nations Security Council resolutions. Such decisions were necessary to put pressure on Saddam Hussein and make it possible for the international community to hope that Iraq would withdraw from Kuwait. This calls for commitments on the part of the Canadian government, and it was with that in mind that the Prime Minister announced that Canadians and the government would join in this international effort to

help striken communities through these extreme difficulties.

With respect to the impact on the domestic situation I would suggest that ever since we took office the government has shown it is committed to support the agricultural community in Western Canada. We have given evidence of that on several occasions in the course of our mandate, and again recently in giving support to agricultural producers in their quest for alternate survival means tailored to the needs of their community. I expect that my colleague does not entertain any doubt whatsoever about what our government has done.

As to a special measure, I think the Minister of Agriculture and some of his colleagues are examining the situation to see whether something else might be done. Unfortunately I am not in a position to provide more information on that point. The main issue I want to emphasize in the dabate today is that it is imperative that we should try to solve some of the problems of the people who have been the victims of this crisis. That was the thrust of my remarks today, and I am convinced that all members of the House and all Canadians will be supportive of any measure we can take to assist those people.

[*English*]

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Burnaby—Kingsway and then the hon. member for Northumberland.

[*Translation*]

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the minister just said that the government wants to provide assistance to the people affected by the crisis in that area. She knows full well that among those are some Palestinians living in the occupied territories of the West Bank and Gaza. She knows, for instance, that Palestinians working in Kuwait have sent a lot of money simply to support their families still living in the occupied territories. That money has now run dry, and for the Palestinians living in the occupied territories, the situation is very serious indeed. As the minister knows, those Palestinians face illegal deportation, collective punishment, and settlements. And now they are facing another major problem, the lack of financial support, usually given by the members of their families in Kuwait. The minister mentioned how important it is to respond to the need of the people from Jordan and Turkey for example. What will the government do to help the Palestinians living in the occupied territories, who are also victimized by this whole situation?

Hon. Monique Landry (Minister for External Relations): As my hon. friend has just mentioned, Mr. Speaker, we recognize indeed the tremendous needs of the community directly affected by the Iraqi crisis. Immediately following the invasion, we may have been more directly concerned by the exodus of a great many displaced people toward the so-called frontline nations and by the very serious consequences both on the individuals and the governments who had to provide food and shelter for those displaced people.

The House should therefore understand that we are currently involved in discussions, that we have met some immediate needs identified by such international organizations as, for instance, the International Immigration Office. As I explained in my remarks, we are working with the international community through the International Monetary Fund, the World Bank and the OECD, as well as with donor countries in an effort to identify the areas of intervention and make sure that the needs of the people will be taken into account and that we will be able to provide enough assistance to help these populations.

• (1630)

My hon. friend most certainly knows that the CIDA has assistance programs for the Palestinians and that, during these discussions, we will certainly check to see whether additional funds should be allocated for compensation. I do not think that any decision has been made so far, but I take due note of his comment. I am aware of the impact this loss of revenues provided by those working in Kuwait will have on Palestinians. I also take due note of this.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the hon. member referred to the fact that many countries outside the Middle East region are very severely affected by the crisis that exists, among them east European countries and also many Third World countries very distant from the Middle East.

Those countries that are very far from the Middle East have experienced hardship earlier because of our government's cutbacks twice in ODA to their programs. The gap is widening in Third World countries between the rich and the poor and it is becoming critical as a situation in itself in that, by allowing this to continue, we could be provoking a global depression to say nothing of recession here in Canada.

The oil crisis that is exacerbating an already bad situation is creating very bleak situations for many countries. The minister mentioned that she was planning to factor in adjustments for these countries that are severely affected by the oil crisis.

Can she assure us, first, that ODA funds will not be diverted to east Europe? As well, in the face of the extreme crisis being faced by so many Third World countries because of the oil crisis, is Cabinet reconsidering the ODA cutbacks and will it not just factor in adjustments but increase ODA levels to the countries most affected by the crisis?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I am aware of the hon. member's interest in development, and although we may not have met, I am very much aware of her interest in the area of development assistance.

First of all, I would like to say that this government, as the hon. member knows because I have given her this answer many times before, is very committed to helping Third World countries. I think we have demonstrated this in a number of ways, and of course we spend a considerable amount on development aid. I think there are other factors as well that show our commitment to Third World countries.

Perhaps I may remind the hon. member that we were the first country to forgive the debts of Third World countries in sub-Saharan Africa—both Commonwealth countries and members of *La Francophonie*; we were also one of the first countries to transform our loans into donations. I think that is also a clear indication of our commitment to helping Third World countries. The hon. member warned earlier against directing aid funds to Eastern Europe, and I believe we have made that commitment. In other words, CIDA aid budgets as such are not used for countries in Eastern Europe. Those are new budgets, and our existing aid budgets are used for countries that are eligible, and the hon. member knows the countries on the list.

As for the present situation, we are aware of the tremendous difficulties caused by the crisis, in addition to the problems already being exprienced by those countries. I think that when working with Third World countries, which includes working through various multilateral mechanisms, by participating in various international committees and also bilateral talks, we always try to determine the best ways to maximize our aid in terms of responding to the specific problems of Third World contries.

That is what we are doing today. We are already aware of some of the increasing problems of certain countries, and I can assure the hon. member that we are personally committed to alleviating as much as we can the additional problems created by this crisis.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, the Minister knows full well—she said so herself—that we are providing assistance to Jordan and others, but principally to Turkey.

Will the Minister tell us whether the Prime Minister or the Minister for External Affairs or indeed others have reminded Turkey, which is now receiving assistance because of this crisis, that it never acted upon the United Nations' request for withdrawal of their troops from Cyprus?

There are numerous United Nations resolutions that were not acted upon by the government of Cyprus and now, because another country was invaded and pursuant to United Nations resolution, we are providing assistance to that country. This issue is of great concern in Canada, and I can assure you that hundreds of Canadians will listen carefully to your answer.

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, my hon. colleague knows full well that this is a crisis situation. I dare hope that all Hon. Members and all Canadians were happy to see the Government respond so quickly in providing assistance to the people affected by this crisis. I think Canadians have the reputation of being generous people. We have upheld this reputation during other major crisis—including the famine in Ethopia—and I think Canadians generally have always supported the actions of their

Governments. I understand my hon. friend's concern about other conflicts, but the Government had, for compassionate reasons to take quick action to help countries adapt to a new situation. Speaking of assistance, I suggest our aim must always be to help those most disadvantaged and this is the basic idea behind our policy of providing assistance to people who must face a situation for which they are not responsible.

I think my hon. friend understands now.

The Acting Speaker (Mr. Paproski): The question and comment period is now over. Debate. The Hon. Member for Victoria has the floor.

[*English*]

Mr. John Brewin (Victoria): Mr. Speaker, I must say I appreciate this opportunity. It is the first I have had in my new role as critic for defence, disarmament and arms control for our party and I look forward to using that position to forward a number of important policies for the country. It is an interesting time to become involved in these issues.

In beginning my job in this role, I want to pay particular tribute to the colleague who preceded me, the hon. member for Brant, who served in this role for a number of years with great distinction. I may say, there were others who preceded him and I will have an opportunity to refer to at least one of them in a minute or two.

Generally, I see the importance of the time that we are in as a time for Canada to define very clearly a new role for itself internationally and, consequently, a new role for itself in terms of defence, disarmament and arms control policies.

I would just make brief reference, at the outset of the debate, to two or three particular issues. For the first time since the end of the war, we now have an opportunity to have a genuine peace dividend as a result of the changing conditions in eastern Europe. We have an opportunity for a new role for the armed services. We have an opportunity for imaginative leadership in the Arctic and in the Pacific in the area of arms control policies.

We have an opportunity to provide leadership to bring the collective agreement that had served us in Europe, this country and others, for so many years, NATO, to an end and to have a new role for collective security in Europe, governed primarily by Europeans. There is no longer a need for Canada and the United States to maintain troops in Europe. There is no longer a need for NATO. Canada's policy must be to bring NATO to an end and, if NATO will not end, then Canada should withdraw as soon as possible from that organization.

We will have an opportunity, in the weeks ahead, to discuss a new arrangement for surveillance of the continent and an end to the NORAD agreement, which winds down in March of next year.

The Iraqi crisis was clearly brought on, in the final instance, by a breach of international law by Iraq. Our party stands with all parties in the House of Commons in condemning the Iraqi invasion of August 2, in condemning the continued occupation of Kuwait by Iraq, and in condemning the keeping of hostages by the Government of Iraq. All of those are in breach of international law and in breach of obligations under the UN charter. We stand in support of the United Nations and the international community in condemning the breach by Iraq of international law under the charter.

• (1640)

We support the United Nations' call on Iraq to withdraw from Kuwait and to free the hostages. We support the UN sanctions and boycott of Iraq. We support the UN authorization of military action to enforce these sanctions against Iraq.

For the Canadian role, we say that, if we had been here in Parliament when this crisis first broke out, we would have urged a different military role for Canada than that urged and adopted by the government. We would have said that Canada, as a member of the Security Council, should have not provided direct military involvement in the enforcement of the blockade, but rather reserved its position so that it could operate as a peacekeeper when the crisis was over.

However, our contingent is in the Persian Gulf and it is our position that to withdraw the contingent directly from the Persian Gulf would send the wrong signal to Iraq and Saddam Hussein. It is therefore our position that there should be a change within the particular alignment and that our contingent should serve instead in the Gulf of Oman, reserving itself again for a peacekeeping role when the crisis is over.

I would say, as well, that we stand with all Canadians and all members of the House in saying that we have the greatest of confidence in our men and women who are serving in the Canadian contingent in the Persian Gulf.

We have not the same confidence, I may add, in the equipment that has been provided by successive Liberal and Conservative governments. On that score, I had an opportunity to do a little research. I looked up some of the statements made by our party in the past.

It is intriguing, Mr. Speaker, when you go back even as far as the founding convention of the party in 1961, to see that our party has consistently urged successive government after government to reshape our military forces, not to continue to provide a kind of mini-American army in Europe and to waste an inordinate amount of money over the last 30 and 40 years in seeking to achieve that role, but rather to prepare ourselves for precisely the kind of role we are being asked and may yet be asked to perform in the Middle East; that is, a role of international peacekeeper under the aegis of the United Nations.

A little volume was produced by an earlier defence critic who was my father and who happened to represent Toronto in Parliament. I noted in doing this research that he served as a member of the defence committee of this Parliament for a number of years. In this volume that he wrote back in 1965, he built on the resolution adopted by the founding convention of the party and outlined the kind of policies, that if we had been following for the last 30 years, we would not only have saved the Canadian taxpayers millions of dollars, but we would have been equipped to play a real role as peacekeeper in the world.

When we look at the role that Canada has now in the Middle East, we say that we should alter the role and that Canada should move its forces back into the Gulf of Oman. But we should also prepare for the culmination of the crisis which is clearly upon us in the next few weeks. The United States and the armies of Egypt and Saudi Arabia are clearly building to the point that they at least have the capacity to engage in a major military assault on Iraq and the Iraqi forces in Kuwait. All of the analysts indicate that such an assault would be extraordinarily costly in human lives and in the long term political consequences. Some of the estimates are that there would be 30,000 to 40,000 U.S. soldiers killed in such an action. There would be thousands and thousands more innocent civilians in Iraq who would be killed. There would be thousands upon thousands of Iraqi soldiers killed. The cost in human lives of a military assault on Saddam Hussein and the Iraqi forces would be enormous.

The cost in terms of instability in the Middle East in the long run will be incalculable. The world has seen in the last two months, since the crisis began, a very remarkable pulling together of international opinion. Virtually all of the international community has supported the actions that have been taken to date. They have done so under the aegis of the United Nations and the United Nations Security Council. This is an achievement which the world has dreamt of since 1945 when the United Nations was first founded.

Offensive military action taken outside the purview of the United Nations will shatter the work that has been done in the last two and one-half months. Further, it will shatter the very shaky but important alliance in this venture that there is to date between the Arab world, or at least the majority of the Arab world, and the rest of the international community.

The cost in terms of stability within the Arab world would be enormous if the United States leads offensive unilateral military action against Saddam.

It is hard at this stage to understand exactly what the U.S. intentions are. We have General Michael Dugan, who was the Chief of Air Staff for the United States, saying that it was clearly the U.S. intention to engage in offensive action in the Persian area and against Iraq.

There are others who suggest that this is merely an important bluff designed to persuade Saddam Hussein that rather than face the American might that is now being organized in Saudi Arabia, he would be advised to pull back from Kuwait.

There are those who argue publicly in the United States that the objective should not be the objective set down by the United Nations resolutions, namely the withdrawal of Iraq from Kuwait and the return and freedom of the hostages, but the objective should be the personal removal from power of Saddam Hussein, deserved though that may be, given his record.

For the international community to accept that additional objective brings with it a number of important consequences. The bluff itself may involve great dangers because it may induce Iraq to take pre-emptive action in

the Middle East against its neighbours in Jordan, Israel and elsewhere.

What Canada must do in the weeks and days ahead is to ensure that we follow two substantial objectives based primarily on our membership on the United Nations Security Council. The first objective we should have is to ensure that whatever action takes place in the Middle East, starting tomorrow, must continue to be done under the United Nations and under United Nations authority.

Article 41 of the United Nations provides for the establishment of a Military Staff Committee. This was designed when the charter was adopted to give the United Nations the opportunity to directly supervise an international peacekeeping force. Let me read it for the record. It is Article 47.1:

> 1. There shall be established a Military Staff Committee to advise and assist the Security Council on all questions relating to the Security Council's military requirements for the maintenance of international peace and security, the employment and command of forces placed at its disposal, the regulation of armaments, and possible disarmament.
>
> 2. The Military Staff Committee shall consist of the Chiefs of Staff of the permanent members of the Security Council or their representatives. Any Member of the United Nations not permanently represented on the Committee shall be invited by the Committee to be associated with it when the efficient discharge of the Committee's responsibilities requires the participation of that Member in its work.
>
> 3. The Military Staff Committee shall be responsible under the Security Council for the strategic direction of any armed forces placed at the disposal of the Security Council. Questions relating to the command of such forces shall be worked out subsequently.
>
> 4. The Military Staff Committee, with the authorization of the Security Council and after consultation with appropriate regional agencies, may establish regional sub-committees.

• (1650)

The time has come for the Military Staff Committee of the United Nations to be brought into being. Canada should take the leadership in the Security Council to test and press that position as far as it can. There are indications that the United States would not accept it. Those indications cannot be given in to at the beginning. Every international effort must be made to see that this crisis is used to further strengthen the United Nations and to give it an opportunity to operate.

The practical significance of this is that it permits whatever military action becomes necessary in the Middle East to be done so with the full support of the Security Council and the international community. Anything less than that will have a devastating impact on the world as we know it, and turn this crisis into one that will be preceded only in its consequence by the Second World War. That must be Canada's first objective in the days and weeks ahead.

The second objective must be to clearly limit and delimit Canada's role in this crisis militarily. That limit must be clearly stated by the government and by this Parliament. Canada's role is only to operate within the authority of the United Nations Security Council resolutions. Canadian troops will not be authorized to take any action not authorized by UN resolution. So far, Canada is proceeding in precisely that way. If I heard the Minister of National Defence correctly in the House the other day, he indicated that the current orders to the Canadian contingent is consistent with that principle.

What I think the Canadian people need, in fact what the world community needs as an act of leadership from Canada, is a statement from the government that this will continue to be the government's policy, and that Canadian forces in the Persian Gulf and the Arabian Peninsula will not be drawn in to any action undertaken by the United States that is not authorized by UN resolution.

We must make it clear in advance to the Americans that that is our position and that if they take military offensive action against Iraq without UN authority, they will lose the support of Canada for their activities in the area. It is an important principle and one which we have to maintain.

Let me quote in support of that position. Mehran Nakhjavani is an Ottawa-based economist and consultant who has done work for *The Economist* and teaches at McGill University. Mr. Nakhjavani, as I understand his position from a number of articles that he has written, including one in today's *Globe and Mail*, is not someone who has any illusion that sanctions will work. I hope on that point he is wrong.

I insist, on behalf of our party, that sanctions be given every opportunity to work before military action is taken. Mr. Nakhjavani is not one who could be seen as someone who has any illusions about the capacity of Iraq to withstand the sanctions. He may, if I understand his

position properly, in certain circumstances, support offensive military action against Iraq. What he states in as clear terms as I have seen is a position that even if the United States took action, it is imperative that Canada stay out of it. Let me quote the concluding paragraphs of an article he wrote and was published in *The Globe and Mail* on September 27, 1990:

> The danger is that if it comes to war, Canada's armed forces will be seen to be involved in an aggressive operation against Iraq, rather than as a responsible member of the international community. Canada has always championed the United Nations system, and must not allow its name to be besmirched by involvement in a war planned and directed by generals in the Pentagon or Damascus.
>
> This is not an argument for appeasement. There is indeed a fundamental principle at stake, namely the right of small nations to live free from the threat of invasion by powerful and covetous neighbours.
>
> Article 42 of the UN charter was written for this day, when the United Nations could finally come of age and, free from the dross of superpower rivalry, assume its responsibilities.
>
> Canada's voice must be the voice of reason in the midst of the war-mongering: let the UN direct the military operation. Put our troops, and those of the multinational forces in the Persian Gulf, under UN command and a UN flag.

There are lessons even now to be learned by what has been happening in the Middle East and in the Persian Gulf crisis. The first lesson we must learn is the need to end the pernicious sale of arms around the world. Our troops and those of the international community are facing Exocet missiles built in France. They are facing planes developed and built in the Soviet Union, purchased by Iraq on British, German, and American credit. I do not have any details of whether there are Canadian parts involved in these weapons, but that would not surprise me, given the way in which our industry is so integrated in the war industry around the world.

Our troops and those of other countries face weapons which we have sold to Iraq, which is now the fifth strongest army in the world. This situation in some variation or another could be duplicated wherever we are going to be asked to serve as peacekeepers.

The world has gone mad in the last 40 years in the sale of arms to the Third World, in the development of arms and an arms culture within our own societies and economies. The lesson we have to learn from this is that the world must turn back from a reliance on the addiction and the addiction of arms sales as a way of earning a living. We have to do it in Canada. We have to do it in the western world and in the Soviet Union, which is now obviously beginning to realize the enormous economic and social cost of trying to maintaining a role as a superpower. We must see that same lesson and particularly we can see it vividly now in the lesson of the Iraqi crisis. The crisis that we are facing is the crisis that we have created ourselves.

We also must understand and recognize when we put this crisis into the total global context that there are other critical issues that we have to face. We have to face the issues of a reliance on oil and a reliance on fossil fuels. We have to face the issue that the lives that are being threatened in this crisis is as nothing to the crisis which we are imposing on the lives of children and adults in the Third World who are the victims of poverty, in part brought about by the addiction and cancer of the military arms race.

We must learn from this how the world's decisions must most effectively be made, how to use the United Nations, how to turn to the regions to solve their own problems, how to involve both sides of the now torn down Iron Curtain in resolving issues of international conflict. Finally, we must see out of this an opportunity for a new role for Canada, not a role that says, as the government has said to George Bush, "ready, aye, ready," whenever you ask, but a role in which Canada can be an international peacekeeper, in which Canada can be a voice of reason, of principle, in which Canada can use its considerable power in the world to strengthen the United Nations and to give our children and grandchildren an opportunity to live in peace in the future.

• (1700)

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I would like to say that it is an honour for me to have this opportunity to participate in the debate on this motion. I think it is a motion that enjoys widespread support in Canada and in this House and on a non-partisan basis as well. Surely there can be no doubt that to resist unprovoked aggression, to ensure that an aggressor does not profit from violent acts, and to give hope to the victims of aggression is the right course of action for Canada to pursue in the international community.

As we all know in the pre-dawn hours of August 2, the Government of Iraq, without provocation and paying no heed to the civilized norms of international conduct, launched a massive invasion of Kuwait. With an overwhelming force of 150,000 soldiers, 1,200 tanks and some 1,000 armoured vehicles, a force which was vastly superior to any defence that Kuwait could muster, Iraqi forces quickly captured Kuwait City and occupied the seat of government.

Six days later Iraq's original pretext of invasion, which was a claim that it was assisting revolutionaries flee Kuwait from reactionary rulers, was replaced by Baghdad's declaration of a comprehensive and eternal merger between Iraq and Kuwait, an ill disguised phrase for Iraq's outright annexation of Kuwait.

The speed and brutality of this invasion and its utter disregard for the norms of international conduct is the essence of the issue which confronts us today; namely, how we in Canada with like minded nations, members of the international community, can best prevent further acts of aggression by Iraq and compel Saddam Hussein to withdraw from Kuwait.

I need not remind you, Mr. Speaker, nor hon. members of the House that the Canadian Armed Forces have been used over the years to uphold the pillars of Canadian foreign and defence policy, especially in support of United Nations measures designed to secure the peaceful resolution of disputes and confirm the sanctity of existing states and their borders. Indeed, Canada's support for the United Nations operations in this region stretches back as far as 1949.

It is in support of these long-standing Canadian objectives that our ships and our aircraft have been committed to the Persian Gulf region.

Canada's geography should not and indeed cannot isolate us from developments in international affairs, even when it is a country that is so far away such as Kuwait in the Persian Gulf to which not too many Canadians have travelled or perhaps know that much about. What we do know is that Canada is a trading nation which will be adversely affected by the economic consequences of Iraqi's blatant disregard for international law and its resulting impacts on our trading partners. We all know some of those consequences that we are feeling now.

More important than trade and those kinds of economic consequences, Canada is a concerned, a compassionate and an active partner in the international community of nations, something that has been a precedent for all governments of this country and something that all members of the House can feel very proud about. As Canadians we must recognize that in the 1990s the commitment of our military forces may be required to give concrete expression to our concern for international peace and security.

Much has been written and spoken about the so-called peace dividend. Now that the cold war is over and the superpowers are beginning to work in concert, some people believe that now is the time to reduce Canada's defence preparedness.

Mr. Brewin: Agreed.

Mrs. Collins: Well, I do not agree.

Mr. Speaker, you will know as I do that that simply is not the case. The real peace dividend is that we can now have a greater awareness of the larger world in which we live unfettered by the overriding concern of east-west relations which has been the concern for some decades.

How we respond will be a test of our maturity as a society and our willingness to pursue actively the principles which will promote the type of world community we seek for ourselves and future generations. It is a responsibility that corresponds with our aspirations and our vision of the world. The challenge is to achieve that dividend, a peaceful and stable international environment across the entire globe.

I take great comfort in knowing that the world community shares those aspirations.

The international community, as embodied in the United Nations, has sent a clear and unequivocal condemnation of Iraq's invasion of Kuwait. It has refused to recognize Iraq's annexation of Kuwait and is taking such measures as are necessary to enforce economic sanctions against the aggressor. We now have over 25 countries that have committed forces to the region as part of a multinational effort to deter further aggression and persuade Iraq to give up its illicit gains.

This is truly collective security in action, and as a founding member of the United Nations, Canada too must play a role.

I cannot help but feel that there is a sad and perhaps in some ways poetic justice in the fact that it is a modern tyrant, Saddam Hussein, who unwittingly, I am sure, has brought about unprecedented revitalization of the United Nations.

The preamble to the Charter of the United Nations speaks about the determination to save succeeding generations from the scourge of war, about faith in fundamental human rights, about the dignity and worth of the human person, and about the equal rights of men and women and of nations large and small.

It goes on to say that "to unite our strength, to maintain international peace and security, and to ensure that armed force shall not be used, save in the common interest" we "have resolved to combine our efforts to accomplish these aims".

I am convinced that the recent actions of the Security Council and the member states of the United Nations are a true embodiment of how its original architects, with the bitter experience of two world wars behind them, intended the organization to function.

Canada was one of those architects. It is entirely fitting, therefore, that our United Nations mission has taken such an active role in opposing this type of naked aggression. The countries of the international community have put aside their differences, both past and present, to voice their unwillingness to countenance Iraq's behaviour by agreeing to implement the strongest UN Security Council resolutions since the Korean war.

I would remind the House that in an historic display of unanimity the Security Council has taken the following measures. It has condemned the Iraqi invasion of Kuwait and called upon Baghdad to withdraw its forces from that country. It has imposed a trade embargo on Iraq and made it virtually impossible for Iraqi oil to reach foreign customers. It has refused to recognize the incorporation of Kuwait into Iraq. It has deplored Iraq's treatment of foreign nationals and demanded their immediate release. It has authorized the use of force to implement the economic embargo and has only permitted the import of food into Iraq for humanitarian relief.

• (1710)

But, like other tyrants before him, Saddam Hussein is unlikely to be deterred by resolutions that are not backed by concerted action on the part of the world community. We, in co-operation with like-minded nations, must demonstrate in concrete terms that aggressors will not profit from their callous disregard of the international norms of civilized behaviour.

The nations of the world are being given a new chance to develop an international system to save succeeding generations from the scourge of aggression, to reinforce the rule of law, to decree that henceforth the world community will tolerate only the peaceful resolutions of disputes.

To this end we must from time to time be prepared to support our noble words with concrete measures. Our actions must lend credibility to our philosophy, or the tyrants of this world will not be deterred.

That is why the founders of the United Nations made specific provisions for the enforcement actions under chapter VII of the UN Charter. Article 42 of the charter that has been quoted often in this House states:

> —should the Security Council consider that measures provided for in article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of members of the United Nations.

These measures were designed to deal with threats to peace or acts of aggression when all other measures had failed. This is precisely the action taken by the Security Council on August 6.

The government felt that the passage of the Security Council Resolution 660 condemning the Iraqi invasion of Kuwait and 661 authorizing the imposition of economic sanctions provided a sufficient rationale to commit elements of the Canadian forces to the multinational efforts in the Persian Gulf.

Only hours after our ships departed the Security Council passed Resolution 665 calling upon those states which were to deploy maritime forces in the region to take such measures as were necessary to ensure strict implementation of the embargo. The effectiveness of this implementation process was further enhanced when the Security Council passed Resolution 670 approving an air embargo against Iraq.

If we did not accept our share of the burden in support of such measures, we would not be living up to our obligations as founding members of the United Nations. I remind the House that over 25 members of the United Nations, I think it is, have now committed forces to this operation, nine of them Arab countries. Was it really possible for us to do less?

Can we abstain from participation in a multinational effort that has drawn support from Third World countries, the economies of which are already stretched to the limit? Can Canada shirk its responsibilities when Bangladesh has not?

I submit that it is imperative for Canada to assist in enforcing the ground rules of a new international order. We will have this new order, this new era of peace, but only if it is supported and strengthened by all civilized nations including Canada.

I know that hon. members will join me in asserting that only such an important fundamental cause could ever justify the use of the dedicated members of our Armed Forces.

Canada now has close to 950 officers and non-commissioned members serving aboard our ships as part of the Operation Friction Task Group, including 29 women serving on the HMCS *Protecteur*. As well we have some 550 personnel deployed in support of our CF-18 operations including 40 women. These men and women are living proof of our nation's determination to stand up and be counted when the deterrence of aggression and the preservation of peace are on the line.

Of course we hope and pray that war will not break out, that the economic sanctions supported by multinational military deployments will prove sufficiently effective to deter further aggression and persuade Iraq to comply with the wishes of the United Nations.

If wiser counsels do not prevail, Mr. Speaker, the House can be assured that our service men and women have the protection that technology and their own professionalism can provide. They are equal to any task that will be demanded of them, and they have the comfort and ease of conscience that comes from knowing that they are serving in a just and noble cause—the pursuit of a lasting peace and the elimination of violence between nations.

Therefore, Mr. Speaker, I take great pride in supporting the motion before the House and ask colleagues from all sides of the House to join me in that support.

The Acting Speaker (Mr. Paproski): Questions or comments. I will recognize the hon. member for Victoria, the hon. member for Saint-Denis and then the hon. member for Bonavista—Trinity—Conception.

Mr. John Brewin (Victoria): Mr. Speaker, I appreciate the opportunity to ask a question of the Associate Minister of National Defence. I look forward up to a point to working with her over the next period of time. I hope I can make her life at least politically miserable, and I do not intend that personally in any way, shape or form. I am sure at that level we can work very well together if the past is any indication.

I would like to ask two questions of the minister. The first is whether she will give this House a clear and unequivocal commitment that Canadian troops will not participate in any military action in and around the Arabian Peninsula that is not authorized by the United Nations Security Council. That is the first question.

The second question refers to her comment about a peace dividend. I heard her say that we should not anticipate a peace dividend. Now, I am a bit puzzled on that because I woke this morning to *The Globe and Mail* telling us that the defence minister has warned the defence industry that financial constraints will mean further cutbacks in the size of Canadian forces.

We know that last month 1,400 troops were cut from the 8,000-member force in Europe and sources have told *The Globe and Mail* that there will be a further reduction of 5,000 to 15,000 troops, much of the reduction coming from troops in Europe.

I would like to ask the minister whether the time has not come for some really creative thinking on the part of the Department of National Defence and of the government in this area.

We were down in Washington on the CSIS committee and we heard more creative thinking from the CIA than we hear from the Department of National Defence when it comes to a genuine peace dividend.

We no longer need our troops in Europe and the government should be proceeding to plan open and above board for the withdrawal of all troops from Europe. They provide no military service. They provide no political significance now that the CSCE is being

developed and expanded, as explained in a very good speech by the Secretary of State for External Affairs.

We can move to reserves. We can move to a new navy role because we will no longer have to maintain the sea lanes. That role is going, going, gone. It offers us an opportunity of a peace dividend.

I would like to hear the minister say that her department is engaging in some creative work to be able to assure Canadians that there will be a real peace dividend in the next 12 months to two years.

Mrs. Collins: Mr. Speaker, I wish to refer to the hon. member's first question. I think that it is perhaps the first time I have had an opportunity to speak with him in the House of Commons in his official role as critic. He is from my own province. The city of Victoria plays a very important role in our navy and is a city that I frequently visit and enjoy. It is a wonderful city.

I think the hon. member is aware that the mandate of our forces operating in the Persian Gulf is for the deterrence of aggression, the enforcement of the economic sanctions in accordance with the UN role. That is certainly the role that they have. We hope that will be all that is necessary. It would be unfair for me to predict the future.

• (1720)

The Secretary of State for External Affairs indicated in his speech on this motion earlier in the House of Commons what actions he would take if circumstances changed that required some other more aggressive role. We certainly hope that will not happen and that a combination of the enforcement of the economic sanctions and other diplomatic efforts, can resolve this issue peacefully. I hear lots of different opinions and I am sure my hon. colleague is hearing, as I am, about the likelihood of that, but certainly every effort has to be made because the alternatives certainly, in my mind, are too horrific to think about, the loss of life, the children, and the loss of the future in that part of the world.

Coming back to the future of our own department, I am sure, as the hon. member is aware, it is a difficult time. We are dealing with several aspects. One, as I mentioned before, is that the Cold War is over and that is such welcome news. We believe the stability in Europe has come about because of the strong role that NATO has played and, in effect, it has been able to deter aggression during some of those years that were more volatile than is the case now.

Canadians have played a role in that united force. It was not a large role but a significant one nevertheless, considering the size of our armed forces. We have always said that we will be there with our colleagues and there is a joint resolution through the CFE talks and, hopefully, to be acknowledged at the CSC meetings in November. Then we can see how we can reduce our participation. I hope that will come about and that, at a future time, we will be able to have a significant reduction in the number of troops in Europe.

We are faced, as a government and as a country, with a difficult financial situation. In our department, we have had to play our role in helping to deal with the deficit. We have taken not absolute reductions in some cases, but in others certainly less than had been planned for in terms of growth in defence spending over the past two years.

As the minister indicated in his speech yesterday, at this point in time our plans are based on only 5 per cent nominal growth, which really is no growth, because that is just the cost of inflation. That means that we do indeed have to be more creative. That is why we are now going through a process of looking at everything we do, at our taskings, at the number of people at the defence establishment review, and at our headquarters operations.

Certainly we recognize that, in the area of equipment, because of the long lapse which the Canadian Armed Forces had to endure, that there is really a backlog built up and we need better equipment. Therefore we are looking at ways to economize more effectively in areas of infrastructure or personnel in order to be able to redress that kind of balance.

As the hon. member is aware, we are looking at the utilization of our reserves, our militia, in more effective ways and combining the total force concept which we have brought to bear. I just announced last week the implementation of a new benefit package for our reserves so that brings them, again, more in line in terms of service with regular force. More and more of our reserve people are on call-outs and being able to fulfil certain

kinds of roles. I have great confidence in that; I think that is a very important direction in which we need to go.

We are also going to have to do things better and more effectively. We all know that when there is a lot of money around, people perhaps tend to get a little flush and that is not the case now. So those kinds of reviews are going on and I look to the support and assistance of hon. colleagues who, I know, serve on the standing committee to assist us with their suggestions and input. I am sure they will be very helpful as we try to meet these difficult challenges that lie ahead of us.

Mr. Marcel Prud'homme (Saint-Denis): There is nothing I would like better than to question the hon. minister but I have already participated this afternoon. Therefore I would like to be gracious to one of my colleagues, the hon. member for Bonavista—Trinity—Conception, who was recognized by you, Mr. Speaker, after me. So, with sadness, I will not put all my questions but I will put my comments in a speech. I regret this but I want to be gracious to my colleague.

[*Translation*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I thank my colleague the Hon. Member for Saint-Denis. I should like to direct to the Minister two questions, and make a brief comment.

[*English*]

By way of comment, as the associate critic of defence, as a Newfoundlander and as a Canadian, I want to sincerely thank the hon. minister for her comment and for her personal, as well as her colleagues' support of the Canadian forces, indeed Canada.

I did note in her presentation that she dwelt very much on the mechanics of the United Nations' resolutions and how we responded to them. Personally I found that instructive. I am sure that the listening audience, the public, also found it instructive and very helpful in trying to understand this very complex situation.

I do have a couple of questions for the minister. They are not hidden questions and I do not think they are difficult questions. I will say that I supported the action of the country, but there is one area that I feel somewhat constrained to comment on. I will put the question to the minister and hope that she can shed some light on it.

I say I support the action. I know the minister has supported it. I am sure other ministers and, I would suggest, many members of this House have supported it. However, I am not sure that every member does support it. I think the advantage of bringing this to discussion in the House of Commons, in the Canadian Parliament before we commit one troop or one gun to an action of this kind is very important.

Historically we have done it in World War I and World War II. We did it in Korea. Perhaps I do not engage in partisanship as much as I should or could, but I understand this is not a question of partisanship. It is not a question of trying to get even with the government, or to score political points.

I think that when a country is sent into a zone that could end up in war, as the minister said: "God forbid, blood may be shed and people may be killed", you have to be prepared to do that, Mr. Speaker. The last thing I want to do is try to scare the public, but I do not think there is any member of the public, the 58 per cent who support this action on the part of the government, who would not have preferred to have a full discussion in the House of Commons. The points that are being brought out now would have been obvious to them before the decision was made. However, it is too late for that now.

I would like to ask the minister if she could tell us what went on behind that decision. Was there reason for it? Was time the problem? Was there something else? Maybe the public would be interested in knowing.

The British consulted the opposition. Even George Bush who does not really have to according to his Constitution consulted the members of his opposition.

My second question is this. Does the minister have any concept of what we are looking at in time? What is her estimate and the estimates of her colleagues?

Mrs. Collins: Mr. Speaker, first of all, I would like to say the member for Saint-Denis in Montreal is always gracious. I appreciate that.

Knowing of the strong record of service and involvement in the military of my hon. colleague from Bonavista—Trinity—Conception, yes, there were different points of view about when a debate would be most appropriate.

Mr. Speaker, looking back at that calendar knowing Parliament was coming back before the ships would actually become operational—there was going to be a significant period of time to get them there—there would then be the opportunity for debate. In fact, that was the first motion that was moved. We had the debate in the early days.

I think the hon. member is probably aware that there is no actual legal requirement to have a motion. There is a requirement in the National Defence Act to table an Order in Council within 10 days. This has been done in different ways.

I recall reading the debates from the time of the Suez crisis. The Liberal government at that time during the debate indicated that it is the role of the government to make the decisions in these instances. Then there should be an opportunity for debate. Ultimately it is the executive that makes the decision.

Second, how long they will be there? I wish I knew. I really do not think anyone knows at this point in time. On balance, one would hope that they could be home as quickly as possible. If it is necessary to ensure a peaceful resolution to this dispute to work for longer periods of time for the enforcement of sanctions to finally persuade what we hope is Iraqi's agreement to withdraw from Kuwait, we are prepared to stay there along with like-minded nations, as long as it takes. We will be watching on a daily basis.

• (1730)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Do I have unanimous consent to recognize the hon. member for Markham—Whitchurch—Stouffville for a short question or comment.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): No. Sorry. Debate.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I am sure the hon. member who wanted to put a question will have time at the end of my remarks. As he knows, I speak very briefly and to the point.

I am very pleased to participate in the debate on this motion put forward by the right hon. member for Yellowhead and seconded by the government House leader.

The Associate Minister of National Defence said that this motion enjoys widespread support among Canadians and in the House. I would like to correct the hon. minister. This motion could have received wide support had her government not bungled this process and come up with an all-party resolution. There are parts of this motion which are very good. There are parts that our party and I, as an individual, can support. Let us break it down.

The first part states:

> That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait—

No one would argue with that. I think all Canadians would give this full support.

The second part of the motion states:

> —and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the United Nations Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2—

Our party supports that wholeheartedly. But the associate minister is not even interested in hearing this side. It is typical of that government. It refuses to negotiate with us. It refuses to try to come up with an all-party resolution. It puts in its two cents, and then it runs.

The last part of the motion states:

> —and for the despatch of members of the Canadian Forces to take part in the multinational, military effort in and around the Arabian peninsula;—

Our party supports a multinational military effort too. But under whose auspices? Under the auspices of one of the superpowers plus some smaller countries which would not get the support of the United Nations? We could not support that. I am saying one superpower or another plus a few countries. But if this multinational military effort would be under the auspices of the United Nations, we could fully support this motion.

The critic for our party has had talks with the Secretary of State for External Affairs. I cannot speak for the NDP, but I hope the same talks are going on there. The NDP have an excellent amendment.

Our critic put an excellent amendment which would ensure that we take part in the multinational military effort in the future, providing it is under UN command. Then this country would have credibility. Imagine, if we had such an all-party resolution, what a boost this would give our military forces who are out there and whose lives are on the line right now. Imagine what support this would give Ambassador Yves Fortier who speaks on behalf of our country. I congratulate him for representing our country so well.

I was in the United Nations at the beginning of this year. I asked: Does the United Nations listen to the resolutions or motions passed in the House of Commons? The answer I got was, yes, if it is an all-party motion or resolution. They do pay attention to it.

We had that example in this House right after the Tiananmen Square crisis. We negotiated among the three parties a resolution which received unanimous support and the world took note.

I must say to this government that one does not play Russian roulette with Canadian lives who are serving in the Canadian Army.

Canadian military personnel want to know under whose command they will serve in the future if the conflict expands. The government gives us the answer that it is under Canadian command. Surely everyone knows there must be one co-ordinating command authorized by the United Nations. Then we would give full support.

If this Persian Gulf crisis can be settled without war, if the United Nations and all the participating countries supporting the UN resolutions can force Saddam Hussein out of Kuwait and restore the legitimate government of Kuwait through sanctions instead of bullets, then this will be a victory of all victories. It will be a victory for the great institution, the United Nations, a victory for all the countries which support the principles of the United Nations, but most of all a victory for the people of Kuwait.

I hope that the government has learned a few lessons from the international crisis of the Persian Gulf and from the national Oka crisis that we have had this summer. Lesson number one is: Recall Parliament. When there is a world crisis such as and our Armed Forces are going to be involved, for God's sake, the first thing to do is to recall Parliament if it is not sitting.

The second lesson I hope the government has learned is that it should take all parties into its confidence. It should take the Standing Committee on External Affairs and the Standing Committee on National Defence into its confidence. It should take the people of Canada into its confidence. The government did not do that. If the government had done that and come up with an all-party resolution, then I think the government would have looked good, Canada would have looked good in international eyes, and again we would have shown our leadership as a peacekeeping nation.

Just a little over a week ago we unveiled the statue of the former Prime Minister, Lester B. Pearson. We were all out there from all three parties and we all applauded at the unveiling. Well, we can take Lester B. Pearson's vision a step further and, instead of acting just as a peacekeeping nation, maybe we should go a step further and be a peacemaking nation. That is something we have not heard from the Prime Minister nor from the Secretary of State. What negotiations are going on in the United Nations, in the corridors, to show that Canada, yes, wants to continue its peacekeeping role, but also has a peacemaking role because our country is respected by all sides of a conflict.

As a former educator, I would like to take this debate in a somewhat different direction. We all remember that over a few weeks ago, right across the world, candlelight vigils were held in commemoration of the United Nations World Summit for Children on September 29 and 30. These vigils served as a reminder to each and every one of us of the 20,000 to 40,000 children that die every day as a result of malnutrition and disease brought on by it—be it misplaced priorities of local governments, economic hardships imposed by international interests, or very simply war, wars that are long gone, wars that have been ongoing for time out of mind, or wars that are just begun, all leaving behind in their wake such destruction and devastation as is difficult for us in the western world to conceive of, let alone comprehend. Such is the magnitude of war.

How many children, I ask, are suffering as a result of the Iraq aggression on Kuwait and the subsequent embargoes? How many more will suffer if counter-aggression is found to be the only solution in the Gulf crisis?

I ask this question, not as somebody who does not agree with the actions of the United Nations or the countries who have joined to date the peaceful demonstration against Iraq, but as a reminder for those of us who are in the position to make these decisions that will ultimately decide the fate of the thousands of children in Iraq and the surrounding countries.

• (1740)

This is why more decisions of this magnitude are taken and that extensive and effective consultation and debate are paramount to allow us to explore alternatives, to discuss various courses of action, and most importantly to understand fully the objectives and implications of our actions such as sending fighter jets designed for aggression right into the heart of the conflict. This cannot be done unilaterally by government. Actions such as these should be taken as a country because each and every one of us has something to lose either directly as our sons, daughters, fathers, mothers, our fellow Canadians go to potential war, or indirectly as we become party to the destructive and devastating effects of war.

Granted, the Prime Minister has committed funds to alleviate some of the suffering for the displaced in Iraq and for those surrounding countries affected by the crisis, but what about our Canadian farmers? What compensation has the minister offered them? I asked the Minister for External Relations that after her speech. She said the government does not have an answer.

Has the Prime Minister consulted with the farmers about the extent of the damage they are suffering or expect to suffer as the deadlock continues? No, he has not, although this should not be a surprise to anyone.

It has become astonishingly clear that in the last few years, be the issues domestic or international in nature, our right hon. Prime Minister does not believe in consulting Canadians. I am not sure who he consults to resolve these issues. However, since the United States invasion of Panama, one might guess that the opinion of the President of the United States takes precedence over any Canadian. In fact, in times of international crisis, one may as well look to President Bush for his comments because our Prime Minister's opinions are merely a regurgitation of the president's.

Were the Prime Minister to listen to Canadians, he would have heard the overwhelming outrage regarding his support of the Panamanian invasion. He would have heard Canadians insist on the recall of Parliament to discuss our role in the Gulf. He would have heard coast to coast the insistence that were Canada to get involved in the Gulf crisis that it be done solely under the auspices of the United Nations.

It is an insult to those men and women who are in the Gulf today and to their families that Parliament was not recalled. It is an insult to our history, our integrity, and our identity that we are not able to act independently within the context of the international community. It is a political precedent set by the Right Hon. Lester B. Pearson, a precedent that became tradition, that Canada is a leader in institutions where diplomacy and peacekeeping activities are crucial.

Our party has always maintained collective action through the United Nations as a primary objective of Canadian foreign policy. The United Nations is today the most credible form for deliberation and subsequent co-operation through which we can hope to achieve international peace and security.

We have also maintained public consultation as an essential element to government policy, especially when it involved the deployment of Canadian forces, as was the case during the Korean crisis in 1950. Parliament was given full opportunity at the time to discuss Canadian military options and to endorse the use of Canadian forces in support of UN resolutions.

I would like to stress that when I say public consultation, I mean consultation before or at the time of, not after the fact, as has been the case on numerous occasions such as Canada joining the OAS. Even in our involvement in the United States-Mexico trade agreement, the Minister for International Trade made the decision to sit at the table with the U.S. and Mexico. Now he comes to the Standing Committee on External Affairs and International Trade and says: "Let's hear from Canadians what they think about it." The government already made the decision that we are into a trilateral agreement. Now he goes through the sham of listening to Canadians, after the fact.

Therefore, as an extension, the Liberal policy is and always has been in keeping with opinions of organizations such as the United Nations Association in Canada.

The same concerns we express today on this floor were echoed in the statement issued by the president of the association at the start of the Gulf crisis. Geoffrey Grenville-Wood expresses his concern about the lack of public debate and discussion around the role Canada is playing in the crisis. He expressed concern about the recent actions of the Government of Canada as being seen as moving away from the traditional and broadly accepted tenet of Canadian foreign policy, that is working within the guidelines of the United Nations.

Mr. Grenville-Wood also puts forward several recommendations, the principles of which I would like to share with the House. First, that Canadian Forces—that is the ships and the CF-18s—be placed and remain solely under UN command, and that Canada stick by that commitment.

Second, that Canada support any resolution that may suggest UN military observers to the Iraq-Saudi and Iraq-Kuwait borders to monitor and report any violations of said borders.

Third, that in keeping with UN conventions, Canada provide leadership in ensuring that all foods and medicines are delivered to the peoples most in need, especially children—the same children to whom we held the candlelight vigilance.

Fourth, that Canada do its utmost to address the problem of the refugees from Kuwait, if necessary, accepting under special provision those who apply for immigration to Canada.

There are situations in which individuals, leaders on behalf of their countries, should stand up and be counted, as we heard from the Associate Minister of National Defence and as we heard from the Prime Minister on the floor of this House on September 24, when he said that the situation demanded a prompt decision to stand up and be counted.

However, one can just stand up or one can stand up with pride and be counted. Unfortunately, once again our Prime Minister has made sure that Canada stood up only to be counted as part of the United States.

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I listened with a good deal of interest to my friend's comments, some of which I could agree with. Certainly he is entitled to his point of view with regard to his criticism that Parliament ought to have been recalled. Prior to 1984, I sat on that side of the House for—I shudder to think of it—nine years. My friend sat over on this side for a number of those years, part of the government benches.

I cannot recall one day assigned to Parliament for foreign policy debate for all of those nine years except for one time, and I think my friend for Saint-Denis will agree with me on the facts of this. The hon. Don Jamieson—

Mr. Prud'homme: Maybe I could agree with you once.

Mr. Friesen: Okay. The hon. Don Jamieson, a fine gentleman from Newfoundland and a very honourable member of Parliament and Secretary of State for External Affairs assigned, I think, two or three days of debate on foreign policy in one sitting. It was a good debate. He did it under pressure from the opposition.

During those years we experienced the takeover in Ethiopia. We experienced the scene in Namibia where Canada was thoroughly involved with the Front Line states in trying to find a solution there. We experienced the Argentinian-British confrontation. We also had Canada involved in peacekeeping observer forces in Vietnam. All of those, to my recollection, were without parliamentary debate, unless it was an opposition day.

The Government of Canada of those days chose never, I underline never, to make ministerial statements in the House on foreign policy matters. It took a lot of foreign policy decisions, perhaps made outside the House, spoke at the United Nations, but not in the House of Commons.

Since 1984, we have repeatedly had the Secretary of State for External Affairs make foreign policy statements in the House prior to making them outside the House.

• (1750)

Opposition parties have been given notice of those debates and statements so they could respond. There has been time after time given and statements made on policy in the House.

I am just curious with such a contrast in practice prior to 1984 to post 1984, when prior to 1984 there was almost no debate in this House on foreign policy matters. After 1984, there has been every opportunity for it. What is it that converted the member of Parliament who just spoke so dramatically that, while he was in government, he was not taking part in this. He was not calling for a full parliamentary discussion. Now he wanted Parliament to be recalled for this important debate.

Mr. Flis: Mr. Speaker, it is clear that, sitting nine years in opposition and now so long on the government side without any ministerial positions, et cetera, the hon. member's mind is getting weaker.

He is failing to remember events that have happened. I cannot speak about what happened under Don Jamieson, but I can speak to the period 1980 to 1984 when I was sitting in this House. I sat a year and nine months prior to that when the Conservatives were in power under the present Secretary of State for External Affairs, the right hon. minister.

Unfortunately, I learned in those nine months that that government did not know how to even count when it lost the vote in 1989. I travelled around the world on NATO delegations and others. I can say that between 1980 and 1984 Canada was held in the highest respect because of the clear positions the Prime Minister, Pierre Elliott Trudeau, took on behalf of our country. We were respected.

Members of Parliament from other countries would say: "You people are fortunate to have a leader with such foresight." That is what we have lost. Canada had an identity that the world respected. What have we got now? "Yes, Mr. President, how high?" That is what we have now.

With the short two years that I have been here, I hate to think what this country will come to if it sits in power for another two years. Somehow, I hope there will be an election tomorrow. Let Canadians speak. Let Canadians assess their foreign policy and how far it has deteriorated. If the government sold Canada, we would get some return for it. It is not selling Canada. It is giving it away for nothing. It is giving it away.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I would like to ask the hon. member a question, and I want to link it to the comments from the hon. member for Dartmouth.

There seems to be a preoccupation with second guessing how our forces were going to be mobilized, when should they go and so on. I mentioned that I happened to visit with Janet van Nostrand about her son, John, the lieutenant who is on the *Athabaskan*. It is just 200 miles from Kuwait.

I did not find that Janet had any bitterness toward the government, that she was frustrated that there had not been a national debate. None of this. She was just so proud of John. She went into another room and brought back newspaper clippings, clippings from magazines and so on of the *Athabaskan*. She had not a word in terms of being frustrated at this.

I am sure that men and women who join the services never really wish to go into a war or wish to be in any risky peacekeeping role, but at the same time when they sign up, that is exactly what they may be called upon to do.

I sure have a different perspective on the situation than hon. members are putting. Is the hon. member trying to tell us that he has had thousands of letters criticizing the government's action on this? I suggest that if we keep it a little less political, that even had we debated it in late August or something, what would the member be talking about then in a political way: that the ships are not ready, they will not make the gulf, this sort of thing. That problem has been solved. They are there and certainly, as Lieutenant John said, they are performing very well. Have you created your own tidal wave of response on this and are you misleading—

The Acting Speaker (Mr. Paproski): The hon. member for Parkdale—High Park.

Mr. Flis: Mr. Speaker, I suggest that the hon. member for Markham—Whitchurch—Stouffville stop giving fictitious names to his wife and listen to everything his wife says. If he had walked down Main Street in his riding, as I did in Parkdale—High Park, along Bloor Street, along Roncesvalles Street, streets that you know very well, Mr. Speaker, within an hour or two Canadians were expressing their disgust—

An hon. member: Order.

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Markham—Whitchurch—Stouffville.

Mr. Attewell: I want to protest in the strongest terms. That was not a fictitious name. This woman Janet van Nostrand, her husband Dr. Peter—

The Acting Speaker (Mr. Paproski): The hon. member for Parkdale—High Park.

Mr. Flis: Mr. Speaker, I did not mean any offence. If I said anything that offended, I withdraw that, Mr. Speaker.

The message is that this government does not have a clear foreign policy. This government does not have a process by which it consults Canadians, does not have a process to work through the standing committees. Why do we have standing committees? So that your constituents, so that someone speaking on behalf of them, could present that to the standing committees and to this House. We would like to hear more of that.

I am sorry, but over the summer I did not hear many of those comments. The ones I heard—

The Acting Speaker (Mr. Paproski): The hon. member for Burnaby—Kingsway on a question or comment.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I wanted to just point out that when Janet van Nostrand's son, Lieutenant John, was sent to the Middle East that he and the 955 other soldiers who were sent assumed that they were being sent to the Gulf of Oman because Commodore Ken Summers, who spoke on behalf of the navy at that time, indicated that that is where they would be sent, well beyond the possible reach of Iraqi missiles. I think the record should be very clear on that point and that that is why there should have been a recall.

I just have a very straightforward question for the member who has just spoken. That is with respect to the position of the Official Opposition on the government motion, assuming that the subamendment and the amendment which have been proposed by the opposition parties are defeated, and I welcome the hon. member's support for those, is it the position of the Official Opposition then that they will be opposing the government motion?

Mr. Flis: Mr. Speaker, in my speech I took the House through the amendment and I expressed which parts we can support and which parts we cannot. I also mentioned that our critic is in negotiations with the Secretary of State for External Affairs. I hope that the NDP party will do the same so that we can up with a motion that all three parties will support.

The Acting Speaker (Mr. Paproski): It being six o'clock, this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 5.59 p.m.

HOUSE OF COMMONS

Thursday, October 18, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT ON TWENTY-THIRD ANNUAL MEETING OF CANADA-FRANCE INTERPARLIAMENTARY ASSOCIATION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present, in both official languages, the report on the twenty-third annual meeting of the Canada-France Interparliamentary Association.

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

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PETITIONS

OPPOSITION TO GST

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this morning it is my duty to present a petition signed by 30 Canadians who are vigorously opposed to the new tax on goods and services which the Conservative government proposes to introduce on January 1, 1991. These Canadians say that the Conservative government has inflicted 31 tax increases on taxpayers since they came to power in 1984, that introducing this tax would be unfair, since it is a hidden and regressive tax, and that it would increase inflation and make things very difficult for Canadians. Your petitioners strenuously object to this new tax which, in their opinion, constitutes an unprecedented assault on the incomes of Canadian men and women, which will not only force them to pay higher taxes but also increase inflation, interest rates and unemployment.

Therefore, your petitioners humbly call upon Parliament to reject the proposed goods and services tax.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I also have the honour to present a petition signed by a number of Canadians, most of whom live in the community of Sarsfield in Glengarry—Prescott—Russell, a lovely village where I have the privilege of residing.

The residents of Sarsfield in the riding of Glengarry—Prescott—Russell strenuously object to the Tory government's plan to introduce the GST, and they humbly call upon Parliament to reject the proposed unfair tax on goods and services.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too would like to deposit, for the House of Commons and the government, a petition signed by a significant number of Canadians respecting their disapproval of the imposition of the GST.

They petition this government to come to its senses quickly and to recognize that close to 90 per cent of Canadians across this country, young and old, north, south, east and west, are definitely against this kind of GST tax.

They humbly pray that the government listen to those concerns and to those voices right across the land.

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise under Standing Order 36 to present a petition on behalf of 100 of my constituents from the Dover area, essentially Elliston, as well as from Catalina, Port Union, Little Catalina, Melrose, and the Bonavista area.

These constituents are very concerned that the unemployment rate in Newfoundland is the highest in the country. They are devastated that they require not the usual 10 weeks that they have been used to over the past 14 or 15 years but require in fact an additional four weeks

to qualify for the whole year of unemployment insurance.

Given all the other factors, the terrible success rate of the fishery of Newfoundland this year, the impending gloom and doom of the goods and services tax, and other economic downturns, these constituents are very concerned about this issue.

They humbly pray and call upon Parliament to introduce immediately the variable entrance requirement without delay so, that they can have their 10 weeks and get on with their unemployment insurance.

GOODS AND SERVICES TAX

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of my constituency of Burnaby—Kingsway.

They point out that the proposed goods and services tax of the Minister of Finance is an unfair form of taxation because of its lack of regard for taxpayers' ability to pay.

They point out that the government has not yet addressed the unfair taxation system which places an unreasonable burden on lower and middle income taxpayers.

Therefore they call upon Parliament to reject the current proposal for a goods and services tax, to reform the taxation system so there is an effective minimum tax on wealthy individuals and corporations, and to ensure that, if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, it must not be an opportunity for the government to impose a massive tax grab.

Finally, they call upon the government to cease its proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax and to bring in real and effective tax reform.

• (1110)

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a number of petitions to present today from people in Canada.

The first one is an anti-GST petition signed by people from communities of Lynn Lake, Leaf Rapids and The Pas, Manitoba, from my constituency. They are especially concerned with the effect that the GST will have in being charged on educational expenses and figure skating, for example. They call on the Parliament of Canada to reject the GST and would ask the government to make sure that the GST is not implemented.

In addition, I have a petition from people in the communities of Snow Lake, Thompson, Matheson Island and Easterville who also call upon the government to make sure that the GST is not implemented. They believe that it is a regressive tax and that it will hurt people. It is a tax on consumption and it is not real tax reform. They believe it is not in the best interests of Canadians.

From other parts of Canada, Corner Brook, Pasadena, Gallants, Gillams, Meadows, Cox's Cove, Benoit's Cove and Red Bay, over 395 people have signed petitions against the goods and services tax. They believe it is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates, and higher unemployment.

Also on the topic of the GST there are 538 names from the communities of Corner Brook, St. John's, Deer Lake, Benoit's Cove, Halifax and Summerside, saying that they reject the goods and services tax. They also believe that it would be an unfair hardship on low and middle income Canadians. They believe that the imposition of this tax will create an onerous burden on small businesses. The undersigned humbly pray and call upon Parliament to reject the proposed goods and services tax.

NORTHERN TAX BENEFITS

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition which will be of special interest to the member for Peace River and, if he were in the House, it would be of interest to the member for Athabasca yet again to hear me present a petition on the topic of northern tax benefits. This is signed by people from my riding and it joins people from other parts of Canada, especially northern Alberta, who have rejected the task force report on northern and isolated areas.

They believe that the report issued on October 27 of last year fails to address the realities of the high cost of living in northern areas across Canada. The undersigned call upon Parliament to reject the recommendations of the report and develop a fair and equitable tax benefit

program, which recognizes the financial needs of people in northern and isolated areas.

I am sure that members from all three parties in this House would love to present petitions on behalf of their northern residents.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition signed by numerous residents of the very famous riding of Glengarry—Prescott—Russell. I notice this petition was signed in part by people from the community of St. Albert, where I understand there is a very famous cheese factory.

These people like so many thousands, in fact millions, of other Canadians are opposed to the goods and services tax. It is a source of amazement to me that, having presented as many petitions in this House as members of the opposition have presented, the government has not already withdrawn the tax.

In any event, the petitioners call upon Parliament to reject the goods and services tax which, as they recite, is an unfair, regressive tax measure.

The petition itself indicates how this Liberal Party of Canada, on behalf of all Canadians, is strongly opposed to this tax which represents an unprecedented tax grab from the pockets of Canadians across the country, not just those in St. Albert in the riding of Glengarry—Prescott—Russell.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): M. Speaker, I have a petition signed by residents from a number of communities in the great province of Ontario, expressing their concerns about this government's proposal to proceed with the goods and services tax.

They call upon and pray Parliament will reform the current taxation system so that there is an effective minimum tax on wealthy individuals and corporations and will reduce the tax burden on the average Canadian.

GENERAL AGREEMENT ON TARIFFS AND TRADE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, it is an honour to rise, under Standing Order 36, to present a petition signed by many concerned Canadians.

Dairy and poultry farmers of Canada are concerned that marketing systems may be in jeopardy due to the implementation of the free trade deal and the current round of GATT negotiations.

These marketing systems have worked well in the past in Canada and these petitioners call on government to protect these marketing systems in the current round of GATT negotiations.

CANADA POST

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I also have a petition signed by many of the residents of Malpeque. These petitioners are concerned about the Canada Post decision to discontinue rural Saturday mail delivery. They state that due to the rural nature of Prince Edward Island, its residents should not be deprived of adequate postal services, and call upon Parliament to reverse the decision and allow rural life to flourish in Prince Edward Island and not decline under measures such as the cancellation of Saturday rural postal delivery.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise under Standing Order 36 to present yet another petition against the goods and services tax.

I spoke yesterday of presenting petitions from sea to sea to sea. The petition I present today is from people in Sackville and other points in New Brunswick, Fredericton and other places, as well as places in Ontario and in the province of Alberta.

Mr. Speaker, these people who have petitioned the House of Commons state that the uninhibited dissemination of the printed word is a cornerstone of democracy, culture and education. A literate and productive society will be negatively affected by the application of the GST. They petition Parliament to reaffirm the historic principles embodied in tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

CANADA POST

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is an honour for me to present a large number of petitions circulated by Rural Dignity in Prince Edward Island.

These petitioners feel that the Canada Post Corporation has a mandate to improve rural mail delivery in Canada and in Prince Edward Island. Considering that the profits of Canada Post were $149 million, these petitioners humbly call upon Parliament to reinstate the six-day mail delivery service in rural Prince Edward Island.

* * *

[*Translation*]

QUESTIONS ON ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions stand.

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[*English*]

PRIVILEGE

STANDING COMMITTEE ON TRANSPORT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I gave you notice of my intention to rise this morning on a matter of privilege.

As you know, Sir, privilege, roughly speaking, constitutes that which infringes on the ability of a member to perform those functions for which he or she was elected.

Privilege also can be breached when there are threats of intimidation or attempts at bribery towards a member in order to solicit a certain vote or action.

Beauchesne's fifth edition, article 67 states:

> It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

I wish to raise the events of this morning, Mr. Speaker, and ask the Chair to consider whether or not those two elements of privilege are contained in those events.

This morning a duly called meeting of the Standing Committee on Transport, which was called seven days ago under Issue No. 50, Meeting No. 66, 111090 at 4 p.m. At this meeting this morning not one government member attended. The meeting was called pursuant to Standing Order 106(3). The notice states as follows:

> Consideration of a request made pursuant with Standing Order 106(3) to review the sale of lands to the Hamilton Harbour Commission and resuming consideration of a request made pursuant to Standing Order 106(3) to review the sale of CN Route Canada by Canadian National Railways to Transport Route Canada Inc. and the several other incorporated companies either involved in the sale or amalgamated as a result of the sale.

That was circulated by the clerk of the committee.

• (1120)

The steering committee of the Transport Committee met under the chairmanship of the hon. member for Annapolis Valley—Hants, with government members and opposition members in attendance, and agreed that a meeting would be held this Thursday.

Since that time the chair of the committee, the member for Annapolis Valley—Hants has tendered his resignation, both as chair and as a member of that committee. That is an important element, but not the significant one in this matter.

How can I and other members perform our tasks on the committee if the committee cannot meet? How can we represent the interests of our constituents and other Canadians in matters such as CN Route, Hamilton Harbour, et cetera? Has Standing Order 106(2) been thwarted by the action of the government members?

You, Sir, have maintained consistently that you have no authority over the internal workings of committees. I would maintain, however, that this morning's events had nothing to do with the decision of the committee, or process in committee, or the adherence to rules in a committee. The committee never had an opportunity to decide or have a process or enforce any operating rules.

It was the action of individual members. Perhaps it was a collective decision of the government members of the committee, perhaps a decision of their Whip, but it was their decision to boycott the committee. That is infringing upon my ability and the ability of others to function as members of that particular committee. I repeat, I am not asking the Chair to consider the actions of a committee, I am asking the Chair to reflect on the actions of individuals outside a committee meeting.

I cannot and will not reflect on the motivations of those members. But I will say that it has been brought to my attention that this may have been done as a method of encouraging me to agree to the 49th report of the striking committee. It has been suggested to me that, since I am the chief Whip of the New Democratic caucus, and since I am charged in that capacity with

general stewardship of committees from our perspective, that I might have some influence on whether or not the 49th report is adopted.

I am not suggesting that the transport committee is being boycotted as a means of coercing me into adopting this report, I am only raising the question that if this should prove to be the case, would that be an infringement upon my privileges?

Mr. Speaker, I ask that you review the matter and give us the benefit of your consideration.

Mr. Sergio Marchi (York West): Mr. Speaker, I wish to rise on the same point of privilege. As the transport critic for the Liberal Party and the Liberal caucus and as the member who put in, under Standing Order 106(3), that the Transport Committee come together—which it has to do within 10 days on this question of the Hamilton Harbour—I feel, quite frankly, that my rights to do a job on behalf of the Canadian taxpayer, certainly have been violated this morning by the non-show of the Conservative government members.

All members know that the quorum of the committee is eight. All members also know that when the Conservative government members intentionally stay away, *en bloc*, it basically paralyses the work of that committee. If this is left unchallenged, it would set a precedent that I do not think would be too helpful either for this place.

Whatever the issue at the transport committee, whether it is the Hamilton Harbour situation, or the CN Route, or the election of the new chairman, we can differ between political parties as to the outcome. The positions taken by committee members whether they be on the government side or the opposition side can be debated and we can dispose of the business of the country. That is the job we are supposed to do.

But it is quite frustrating, to say the least, when despite our best intentions and despite the fact that we asked for this meeting according to the standing provisions of this House that, not only are we unable to put forward our positions but there is no business at all.

Quite often you hear that for the backbenchers of Parliament, the greatest opportunity is in the standing committees. We tell our constituents and we tell those who visit this place that, by and large, the greatest work done by individual members of Parliament is not necessarily in that 45-minute daily broadcast known as Question Period but, in fact, behind the scenes, in the standing committees where we cross the *t's* and dot the *i's*, in terms of the legislation passed by this place.

Mr. Speaker, I would submit to you that when the standing committees come to a halt and are unable to function and do the work, not only is it a disservice to the subject, but it is infringing absolutely on the privileges of members of Parliament. It is in committee where members probably make the greatest contribution.

I know the member for Hamilton East and others wish to speak on this point. I would ask on behalf of myself and our caucus, Mr. Speaker, that you seriously look at this point of privilege because it affects the rights of members of Parliament on all sides. If ruled out of order, it would set a very dangerous precedent because not only will it paralyse the work of the transport committee, which has a number of interesting dossiers in front of it, but the work of other committees.

I hope that your deliberations on this matter bring it to an early resolution so that we in this place may have the direction of the Chair.

Mr. Speaker: The hon. member for Hamilton East. Briefly.

Ms. Sheila Copps (Hamilton East): Very briefly, Mr. Speaker. In determining whether in fact we have a *prima facie* case of breach of privilege which I believe you will find, Mr. Speaker, you should be aware of the fact that Hamilton City Council has already looked to all their federal members of Parliament for leadership.

I know for a fact that the member for Hamilton West was in Hamilton last night, had that assurance and gave the full assurance to the city council of Hamilton that this issue as going to be dealt with under the Standing Orders, which was our full right.

When a member of Parliament gives that commitment to a city council that has passed a unanimous resolution

to see the removal of a particular chairman, obviously it infringes upon that member's capacity to do his job if the meeting is cancelled by the non-show of other members of Parliament.

I know, for example, that on Tuesday, October 16, there was a headline in the Hamilton *Spectator*: "I wash my hands off Harbour Commission. Scott". Certainly there has been a debate in the city of Hamilton about whether members on all sides of the House are discharging their responsibilities and making sure that the public trust is honoured in this particular case.

Obviously that has not been the case. There are some who do not want to do their job. On this side of the House, we want to do our job. The member for Hamilton West and the Liberal transport critic were infringed in that right today by the decision of the Tories not to participate, and effectively to muzzle the transport committee which is taking charge of this dossier because the Minister of Transport will not. So I think there is a prima facie case of breach of privilege.

If you do find this so, Sir, we will be prepared to move the appropriate motion.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think it is clear by now, certainly it was clear to me some time ago, that what we have is a complaint. We do not have, I believe, a question of privilege.

Ms. Copps: It's a muzzling. It's a muzzling.

Mr. Hawkes: All three opposition members have brought up the issue of attendance. At the beginning of September of this year there had been 1,143 full committee meetings in this session of Parliament.

Ms. Copps: What are we getting paid for?

Mr. Hawkes: If they want to talk about attendance, Mr. Speaker, we would be glad to provide them with a record of the number of times that there were no representations from the Liberal Party or the NDP. The only reason the meetings could proceed is because government members were present.

I would remind hon. members also, Mr. Speaker, because they raised the issue of a meeting this morning, that the normal practice in this Chamber is for consultations to occur to set up an agenda. They chose to go a route where no consultations took place.

Ms. Copps: That's false. They can't proceed without opposition members present.

An hon. member: That is a lie.

Mr. Hawkes: Our members—

Mr. Speaker: There may be a difference of opinion about what is being said, but I do not think we need to be shouting about lies. The hon. member for Calgary West.

Mr. Hawkes: Mr. Speaker, they used the provision of the Standing Orders to cause a meeting to occur.

My members had alternate plans for the use of their time at the same time as the meeting was called. We had an option; we could have sent substitutes, but in our opinion the subject matter was too important to not have at least a reasonable proportion of regular members in attendance.

More importantly, on what they would like you to believe is a question of privilege, they are indicating that somehow their privileges have been affected because they are blocked. The Standing Orders require on an annual basis, within ten sitting days of the commencement of a Parliament, that the membership for Standing Committees be reported to the House and one of the very few decisions, other than naming members, that lies in the hands of the Striking Committee is to name the size.

• (1130)

Those decisions were made and that report was presented to the House. The Whips on the opposite side named their members to sit on the committee and everything was done according to the rules. All of a sudden the opposition, not the government, blocked the coming into force of those committees which had been reported to the House by the Striking Committee.

If the opposition has complaints about the functioning of committees, I would suggest that the only people, from a party basis, who might have a question of privilege because of the difficulty in committee are the members of the House who are willing to support the Striking Committee report. Those members who are not in support of that report are, in effect, blocking the continuation of committees in a normal, functional and effective fashion. It is in fact those who rise in the House to address you, Mr. Speaker, on a question of privilege that have the solution in their hands. They can move at any time the adoption of the committee report, a debate

can ensue and the House can divide. They do not want to face the House on the issue of the Striking Committee report. That is their choice. The government has decided at this point to leave that report on the table.

It is normal practice in the House for negotiations to take place either among Whips or House leaders when there are problems. The Liberal Party House whip came to me on Monday of this week at five o'clock to discuss the issue. We had a very good discussion that did not result in any solution, but that is the nature of the place. Not every discussion results in a solution, but it is part of a process to resolve a problem.

I agree with my hon. friends, not just in the case of transport, but in the case of a number of committees, that there are problems. That is why the House in its wisdom set down a set of rules for a Striking Committee report within ten sitting days of the commencement of the fall session. That is why the Striking Committee reported. There is no problem with the Striking Committee report in respect to the composition of the House. All we have to do is accept that report and the place can function. All the Whips have the power to substitute. They can change members. It provides recognition for the independents in the House in proportion to their numbers relative to the size of the House. It is a good report.

I believe, Mr. Speaker, if you wanted to get into the issue of motivation, which some members seem to do, those who choose to block unanimous consent for the adoption of the report are indeed the group that want the committees to be in trouble. If they are apportioning blame, do not put it on government members. Put it clearly where it belongs, on those members of the opposition who will not accept the Striking Committee report.

Mr. Speaker: I do not need to hear further argument.

The hon. member for Thunder Bay—Atikokan has risen on a question of privilege. The hon. member for York West has clearly joined in on that question of privilege, and there may be others. The hon. member for Hamilton East spoke and I notice the hon. member for Hamilton West is here and he might want to say something about it, but I have a procedural matter before me.

I have listened carefully, of course, to the hon. member for Calgary West. I will consider carefully what has been said here. I suggest in the meantime—and it is only a suggestion, I cannot force it—it might be wise if some discussions took place. The situation the hon. member complains about is, for whatever reason, at the moment the committee is not meeting and as a consequence not functioning.

I have some doubt as to whether it is a question of privilege. But because the committee has come to a complete stop, I am prepared to at least look at the matter carefully and report back to the House as soon as is appropriate. In the meantime, as I say, it might be resolved by further discussions. I thank all hon. members for the intervention.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I rise on a point of order.

I appreciate the Speaker's concern. I appreciate that the Speaker wants to get on with the business of the day in this House. But what I must request that, when considering everything put before him thus far in the argument, he should also be clear of the facts of this case and not to be clouded by the issues raised opposite by the hon. member from the other party.

Mr. Speaker: My difficulty here is that I have the point.

One of the reasons that I feel I do not need to hear a lot of further intervention is that we may get further and further away from the basic of facts.

I have the point and I assured the hon. member for Thunder Bay—Atikokan that I understand completely the point he is making, which I might remind hon. members was made in a very concise and careful way.

I suggest to the hon. member for Hamilton West that, if there are further complaints or arguments that need to be taken, perhaps they could be taken in another place. I think perhaps that is enough discussion on the matter. Certainly, I have enough with which to report back to the House. I know hon. members would want to appreciate that.

Mr. Keyes: I rise on a question of privilege, Mr. Speaker.

As I understand it—you can clarify me of course if I am wrong—if I am prevented from doing my duty for my constituents in this place, whether it is in the House or in the form of a standing committee, I may rise and point out to the Chair that those privileges have been breached.

Mr. Speaker: The hon. member was undoubtedly detained on important business. The point the hon. member is making is the point I have to decide.

It has been presented to the Chair in this question of privilege, and that is exactly what I will be deciding.

[*Translation*]

NEED FOR PROMPT RULINGS ON QUESTIONS OF PRIVILEGE

Hon. Jean Lapierre (Shefford): Mr. Speaker, since we are dealing with questions of privilege, I would remind the Chair that we raised two questions of privilege which were very important and very urgent, especially regarding the right of the hon. member for Laurier—Sainte-Marie to sit in this House. Mr. Speaker, I think waiting for weeks and weeks, when there is a major question mark in the minds of some members of the public as a result of this question of privilege, is tantamount to shirking our responsibility to ensure that members of this House have every right to sit in this House, and I am sure we all agree! However, we hope that very shortly you will take away the doubts that were used concerrning the hon. member for Laurier—Sainte-Marie.

Furthermore, although at this very moment, planning operations for the Hibernia project are underway, we have yet to receive a reply to the question of privilege we raised, and although the legislation has not yet become law, considerable sums of money are being invested in this project.

Consequently, Mr. Speaker, I submit, with respect, that both questions are urgent and pressing and are an excellent example of the need for raising questions of privilege, and that any delay in dealing with these questions is an embarrassment to most of us.

Mr. Speaker: The hon. member's point is well taken. For the time being, my answer is: soon.

[*English*]

Mr. Blaikie: I rise on a point of order, Mr. Speaker. I appreciate your admonition and, indeed, ruling that further discussion of the question of privilege raised by the hon. member for Thunder Bay—Atikokan ought to go no further for fear that it might lead into other matters.

The fact is that this point and others that have been raised in the last little while cannot be separated from what I would see as the over-all condition of the House, which I would ask Your Honour to have a hard look at. I do not know when all this started. It is easy to point fingers but the fact of the matter is that I feel we are sliding into some form of anarchy.

• (1140)

I am reminded of a Yeat's poem which, to paraphrase, goes: the blood-dimmed tide of anarchy is loosed, everywhere the ceremony of innocence is drowned.

You, Mr. Speaker, have a special responsibility to protect the House of Commons, where democracy either succeeds or fails in the country. I would ask you to take a hard look at this issue and at every other issue and seize the authority that all Canadians and indeed, all members of Parliament, in their heart of hearts are looking to you to exercise in restoring some dignity and order to this place. If you are not able to do that, then I fear the worst for the entire political process.

Mr. Hawkes: Mr. Speaker, I wonder if we might take some advice from our esteemed colleague and simply get us all out of this particular problem so committees can function simply by giving unanimous consent at this time to the Striking Committee report to set up the standing committee.

Mr. Blaikie: Point of order, Mr. Speaker.

Mr. Speaker: Out of regard for many years experience in this place, I will hear the hon. member for Winnipeg—Transcona for a minute or more longer.

I must point out that one of the ways we do retain order is to operate under the rules. We are slipping a bit. It is not with any malice of forethought, I am sure.

The hon. member for Winnipeg—Transcona.

Mr. Blaikie: Mr. Speaker, the opportunity that the member on the government side just took to introduce a kind of partisan strategy into what I intended as a very well meaning message to the Speaker and to all members of Parliament is just the sort of thing that I was being implicitly critical of when I spoke up.

Mr. Hawkes: How is that partisan? Explain yourself.

Mr. Speaker: I think under the circumstances it would be wise if we moved on.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am going to relate very indirectly to what

has been said. It is a point of order and it is not a point of privilege, and I would invite you to consider that.

Standing Order 106.(3) of this House specifically says:

> Within ten sitting days of the receipt, by the clerk of a standing committee, of a request signed by any four members of the said committee, the Chairman of the said committee shall convene such a meeting—

The point I would like to make is that by the government deliberately not producing members for that, they are are causing the standing order to be breached. The event that is supposed to occur under the standing order cannot, by virtue of the fact that the government does not constitute the requisite quorum. I believe that point has not been raised by other hon. members. I would invite the Speaker to—

Mr. Speaker: I can assure the hon. member that that point has been raised. I fully understand what took place. If one wants to refer back to the argument of the hon. member for Thunder Bay—Atikokan, I complimented him on the fact that it was extremely concise and did cover these points.

I think this is why we should move on to Orders of the Day.

GOVERNMENT ORDERS

[*English*]

IRAQ

INVASION OF KUWAIT

The House resumed from Wednesday, October 17, consideration of the motion of Mr. Clark (Yellowhead):

> That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the United Nations Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2 and for the despatch of members of the Canadian Forces to take part in the multinational military effort in and around the Arabian Peninsula; and That, upon adoption of this motion, the said motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

and on the amendment of Mr. Axworthy (Winnipeg South Centre):

> That the motion be amended after the words, "Canadian Forces" and read:
>
> enforce these United Nations resolutions;
>
> That this House censure the government for not recalling Parliament at the earliest opportunity to fulfil its legitimate function of consultation and debate as to what role Canada should play in the resolution of the present crisis; and
>
> That upon adoption of this motion, the said motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

and on the subamendment of Ms. McLaughlin:

> That the motion be amended by adding the following after the word "resolutions"
>
> And further, that Canada work at the Security Council to seek assurances that no country will undertake offensive military operations against Iraq unless they are under UN command and explicitly authorized by the Security Council.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I will say at the outset, as the associate critic for national defence, as a Newfoundlander, and as a Canadian and somebody who has had some experience in the events that have culminated in the Gulf crisis, that I am delighted to stand and speak about this momentous occasion in Canadian military and, indeed, Canadian political history.

By way of an overview of what I plan to do in the next 20 minutes, I want to comment on certain specifics of the what, why, how, when, and where of this particular subject. I want to dispel maybe some of the phoney issues, the make-believe issues in this particular crisis. I want to look at the human aspect of it because this is something you cannot dehumanize even if you wanted to. It is an aspect that many members in the House had direct association with.

I see the hon. minister for health and welfare who, indeed, I am sure would share a lot of the views I will mention this morning and expound upon.

Then I would like to in a more macro sense, having gone through these micro issues, perhaps give you what I believe to be an overview of maybe the way we should be doing business in future in consideration of our defence policies in Canada. We have been doing defence policy in both parties pretty well the same way since World War II and maybe this is a chance for us to have a look at this crisis, the evolution of world order, and maybe get some

ideas of going about planning our defence business, both our policy and our budget, in a different manner.

I want also to say at the outset that if I say anything that alarms or confuses people, I apologize for that. Certainly that is not my intention. While I do sit on this side of the House, it is not my intention this morning, although I can do it and have done it, to be partisan. On any views that I express, I would ask my colleagues on the other side of the Houses to bear that in mind.

Looking at the what, Mr. Speaker, by way of review, just very quickly, right now as I stand in this House of Commons and if my information is correct as of last night at nine o'clock, we have 1,488 members of the Canadian forces, men and women, in the Middle East. They are deployed in three ships, HMCS *Athabaskan*, *Terra Nova*, and *Protecteur*. I am delighted to say parenthetically that at one point in time in my career I managed to have these three ships under my command.

We have an element of the CF-18 fighter squadron now based in Qatar in the Middle East, essentially from 409 squadron, but I know there are elements from 421 squadron and I believe some from the air maintenance squadron, number one air maintenance squadron and indeed perhaps even elements of the other squadron in Germany, that is 439.

Why did we take this action in Canada? I think it is very important to understand at the outset why we are there. There have been all kinds of accusations made as to why we participated in this. I would like to think of this with a clear and objective mind and the best way I can put it—and I wrote it down last night—is that, in my opinion, we took action not out of national hunger for conflict, but presumably out of the moral responsibilities shared by committed nations to protect the world from a very evil force.

I believe that we cannot remain silent in these kinds of things because peace is more than just the absence of war and its preservation by our world system and world order extracts an obligation.

I am delighted, as a Canadian and as a former member of the Canadian forces, to see that we as a country exerted and extracted this obligation from the Canadian people. We met our commitment and I think we did it proudly and effectively, as you may judge from my comments that may follow.

I would say that that is my opinion, and I would be less than honest with myself and my colleagues on this side of the House if I did not say that I believe the Canadian public would have been better informed and the idea of precisely why we dispatched at that point in time the members of the ships' company and their support force would have been clearer to the Canadian people if there had been a debate in the House of Commons.

I can understand the preoccupation of the government with wanting to get on with it. In fact, the hon. associate minister of defence last night, and I believe rightfully so, in her mind at least, indicated that there really was not time for parliamentary debate. In any case, the debate, as required by the National Defence Act and the rules of how we run this country, would have taken place by the time they had reached the war zone or the defence zone, the hot zone, if you like Mr. Speaker. I accept that, but I certainly would be concerned that had we had a debate in time before the ships reached the zone and had the decision and the vote been, in the unlikely instance quite frankly I believe, then we would have looked rather silly in the international scene if we had had occasion to recall these ships.

• (1150)

I do not fully buy her argument, although I know where the motivation came from. I will speak briefly to that later, Mr. Speaker.

How did we do this? I think we did it for a number of reasons, but how we did it I think is interesting. I have stood in the House of Commons, I have stood in uniform, I have stood on the bridge of my destroyer, I have stood in public forums and, quite frankly, I have been embarrassed by the way that the Canadian forces have been maligned and by a confusion of the state of equipment with the state of the personnel. I do not think it was an intentional confusion. I think it was a conclusion that perhaps had been drawn or wrongly concluded, or wrongly inferred from the logic that may follow from that sort of premise. I can assure you, Mr. Speaker, that absolutely nothing is further from the truth.

I am referring not just to the uniformed members, of our men and women and their leaders and their subordinates, but I am also referring to the often unsung members of the Department of National Defence, those who are not in uniform and who indeed are, in their own

way, and when the circumstances require, every bit as dedicated as the men and women who indeed put their lives on the line as 1,488 people are doing right now, and to their families as well who indeed make the same kind of sacrifices, although it may not be over the same period of time.

I have to make reference—although the hon. member for Dartmouth and the hon. member for Halifax and members from the other side of the House have made mention of this, but I feel that I want to do it one more time and I do not think it would be too often if every single member of this House got up and did it—to what we saw in Halifax, something that we have not seen for a long time. We have seen the turn to of HMC dockyard and their talented men and women, their supervisors, their management teams. In two and a half weeks, with the supervision and co-operation of the three ships' companies, in fact the ship repair unit and everybody involved in the maintenance, repair, we saw a refit, in this case it was a retrofit of defensive weapons, and indeed the ships' companies.

I remember in one case, the *Athabaskan*, the dockyard put in 4,000 hours in one week and people were working 16 to 20 hours a day with four hours sleep a night. Over a period of a week, and in some cases longer than that, that extracts a tremendous toll and it requires a great dedication and talent to be able to accomplish that.

I use this not in a flippant way, but it is an order of magnitude with some experience behind it. I would estimate, and I could be wrong by an order of magnitude of 50 per cent, that the retrofit of the defensive weapons that have put our ships and our men and women in a much better position where they are right now in defence of their country, what was accomplished with the total cost in round figures of $15 million in less than three weeks, that had we done it in the normal way we do it, through the bidding procedure and through the procedures that are laid down, it probably would have taken 20 times as long and may have cost 10 times as much.

I think it is a reflection on what we can do when we put our backs to the wheel. I do not think I need to elaborate on that any more, but I would say that every single member who has spoken here has in some way made reference to that kind of dedication. I think it has made all Canadians, not just people from Halifax, not just the men and women in uniform or the civilians from National Defence, but all men and women in Canada very proud of what has happened.

Somewhat later of course, Mr. Speaker, you are aware that we dispatched a squadron of CF-18s. The purpose of that was not as clear to me as it was in dispatching our ships.

However, I do not want to put water in the wine by discussing my opinion on that. Suffice it to say the decision was made and the aircraft were sent. I am assured that their purpose there was primarily for the defence of our ships.

They could be called to defend our ships on a national basis. I am prepared to accept that, although initially I was a bit concerned why we needed to send aircraft. Aircraft and ground personnel are not as easy to move around in the Middle East once you get them there as ships are, Mr. Speaker. You can get them in and out.

The other aspect of this I would like to comment on is we are the 50th in order of magnitude armed forces in the roughly 200 countries in the world. That puts us in the top 25 per cent. In NATO, we are sixth or seventh, depending on how the size of our forces is counted. I can assure you, Mr. Speaker, that we are not 50th in talent, in leadership and in the dedication of our men and women.

I would venture to say, and this has been borne out by NATO exercises over the last 20 to 25 years, that the men and women in our ships, aircraft, ground crews, maintenance squadrons, support forces and in the land troops deployed to look after the low flight missile defence systems, are as well trained as any of the armed forces in the world. I would say that they are among the best, if not the best.

I stand here with great confidence and with great pride that those who are there want to be there. Those who are there are proud to be there. While the business of being away for Christmas is not a very pleasant thought for anybody, it has to happen. We do not have any real indication of how long this is going to go on. If that should happen, I know that they will do it in the knowledge that they are doing it for their country and for

the reasons that they joined. They have agreed to support their country.

There has been a great debate over the ships, how old they are and that sort of thing. They are not new, and they are not young. By way of comparison, and I do not mean this to be a minor comparison, I have a Lee Enfield rifle at home that was built some time in the First World War. It is as accurate now as it was the day it was manufactured. Sometimes the age is not the best indication. There is no question our ships are old and the machinery is old.

I know for a fact that there are 12 United States destroyers in the Middle East right now that are older than the *Athabaskan*. Also, I know that there are ships in the Middle East that are perhaps better equipped against attack by a missile system or super system that the Iraqis do not have.

I think it is important for all members of the House, and indeed the Canadian public, to realize that because of the specific refit that those ships received, because they were retrofitted with defensive system specifically against the known Iraqi threat—Exocet missiles, Mirage aircraft, chemical warfare and the other range of activities that the Iraqis are likely to put upon us—I would venture to say that our ships are probably better off than some of the other ships that are over there that are designed for general purpose threat.

I think one can draw his or her own conclusions from that. I am sanguine that we, as a country, have outfitted our ships as best we could under the circumstances. I know that Commodore Summers was very pleased that he received the kind of fighting suit that he had. While they may all be referred to as a last ditch system, they were found to be effective when they were needed. I refer to the Falklands. Although ships were sunk, these systems were very good.

The other thing regarding the Falklands is that the ships of the Falklands campaign did not have the long range and air early warning of 200, 300 or 400 kilometres that our ships presently have. That was one of the big weaknesses of the Falklands war. This was drawn out.

Our ships do have the mutual support benefit, and they have the coverage that is provided by our aircraft.

I see time is running out on me here, but there were a couple of things that I wanted to mention specifically. I do not want to go through the great list of where the people are from. Since I am from the maritimes, I would want to mention specifically that I am very proud of the effort from the maritime provinces.

In Newfoundland alone, we have 142 members who serve in this force. That is 9.5 per cent, and Newfoundland makes up only 2 per cent of the population. In the maritimes itself we have 621 out of 1,488. That represents 41 per cent of the men and women who are serving, while the maritimes in fact make up only 9 per cent of the population.

• (1200)

I know that in the case of my riding, again if my count is right, I am looking at 45 members from Bonavista—Trinity—Conception. I want to mention three of them because they have been written up in the newspapers. Their parents and their grandparents totally support what they are doing. They believe what they are doing is right. I think we should take comfort from those kinds of personal stories.

I am referring to Clifford Miller. Clifford is from Georges Brook. He is the son of Mr. and Mrs. Stanley Miller. Georges Brook is very close to Clarenville. Mr. and Mrs. Miller strongly support their son being there. They are very proud that he is there. In fact they note that he made a special move to make sure that he did get included on this force.

There is also young William Cumby. He is a marine engineer. He is the son of Ches and Viola Cumby from Harbour Grace. In fact, his grandfather, Chesley, Sr., served in the Second World War in the navy as well. Both his grandfather and grandmother wish him the best and believe that he is doing the best for his country. I think it is safe to say that in both cases they are very proud of the men and women involved.

You might find it of interest, Mr. Speaker, that the Protestant padre in HMCS *Protecteur*, although he travels in the other ships, is Captain Baxter Park from Bay of Islands. I believe that is in the riding of the hon. member for Humber—St. Barbe—Baie Verte.

Mr. Speaker, you are cutting me off a bit early, I believe, but I do want now to mention in a more macro sense some of the things that concern me. If we look at

this as an instance where the cold war is on the demise—it is not over yet—we see here a basic point in the crossroads in the evolution of international order. I would not have believed this could have happened, that we would have had 30 nations so solid in their support of the Security Council in the United Nations with no vetoes. I think this is a wonderful occasion.

We should take some measure from this, because since World War II analysts have been carefully endeavouring to evaluate the sufficiency of our force in a single, simple defence criterion, and that has been the extent to which our commitments correspond with our capabilities. Indeed the title of the last written white paper is *Capability versus Commitment*. I submit that perhaps a more appropriate assessment today should include the consideration of the degree to which the quality, size and utility of our forces parallel a more realistic evaluation of future threats.

Accordingly, I want to take this opportunity in the three or four or so minutes that I have to indicate some of the concerns that perhaps we need to look at when we plan our defence budget.

We no longer have the same bipolar world we had before. I do not suggest that traditions of the east-west conflict do not still maintain, but we do not have a world where we have one monolithic communism. We do not have two bipolar powers that always disagree in principle. In the past conventional thought focused on fighting a major conflict in eastern Europe. In fact the main battlefront is now one country, so the eastern front is not what it used to be.

We have new threats. We have the proliferation of missiles and high-tech weapons in the Middle East as we see today in Asia. We have the expanding drug war in Latin America, and we have the unending spectre of international terrorism that we see almost on a regular basis.

In addition to these changes we also recognize that military might, might not wield the same power of influence it did in earlier times. Instead we are looking at a relative power of countries in an increasing complex interplay of economic and military factors, as we see by the oil determinants, which together are impacted by the fragile disposition of modern domestic political systems. We have the emergent democracies in eastern Europe. In fact instead of one nuclear power in the Soviet Union, we may have 15 independent ones, which quite frankly from an arms control viewpoint scares the living daylights out of me.

There are three key developments that we should be concerned about. Very quickly, they are the international threat environment that I just mentioned. The second development refers to efforts to forge a new approach toward devising strategy, and this is the inclusion of economic factors, as well as military and political factors. Third, we have items that concern us taking place in the United Nations like we have recently seen. The degree of co-operation that countries may now be able to have because the cold war does not constrain people to one side or the other, I believe is a harbinger of international order and perhaps an international peace force that we may see in the future. We may not be looking at peacekeeping, as was suggested yesterday; we may be looking at peacemaking.

In conclusion, if I could suggest that we are looking at a more macro, different view of the world today and if events of the past are to be recognized in a positive sense, we have to look at this major occurrence and apply it to our defence planning in the following manner.

For example, what are our objectives? The objective here is to contribute to world peace, to get Iraq out of Kuwait and to make it difficult for it to go back. What this has in a follow-on commitment is open to our imagination. What are our goals? What assets do we have? How willing are we to defend or preserve the peace and at what level?

In speaking to the motion, yes, I can agree that the House condemns the invasion of Kuwait by Iraq. It is unprecedented. It is against world order. I can agree that we want the withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate Government of Kuwait. I affirm unequivocally our support for the action of our men and women, the United Nations Security Council, those who have participated since August 2, and the dispatch that has taken place in the past.

I would be very concerned if we were to give a blank cheque for what happens in the future, because in this kind of situation the fear of a sudden escalation is something that I am sure concerns all members of the House. I sincerely hope that before we move into that kind of thing we would have a full, open and candid debate about the future of our Canadian Forces in the Middle East.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I wonder whether the House would bear with me for just a couple of minutes as I have a comment arising from the hon. member's intervention.

As the hon. member for Bonavista—Trinity—Conception knows, I have nothing but the highest regard for both his contribution to his country while serving in uniform and for the depth and quality of his contribution in the House of Commons when he participates in debates related to the defence of Canada.

As my colleagues in the House of Commons know, one of the practices I try to follow in leaving a portfolio is to refrain generally from making public comment, because I know that my successor has a right to run the department without having me looking over his or her shoulder and without feeling any constraints based on my previous involvement there.

I do want to take advantage of the opportunity presented by the hon. member's remarks today to add just one or two comments in response to him. In saying that I want to associate myself fully with the remarks that the hon. member made about the quality of the men and women serving in Canada's Armed Forces and the tremendous dedication shown by the members of their families. Having spoken to the families of service people who are serving often under very difficult circumstances, and realizing the strains put upon those families of service people, I am very much aware of the human cost often involved in the decision to serve one's country.

I think all members of the House of Commons on both sides of the Chamber would want to support strongly the families and the men and women serving in the Canadian Forces and also associate themselves with the remarks made by the hon. gentleman when he referred to the tremendous contribution made by civilian members within the Department of National Defence.

My hon. friend will know that those of us on this side of the House will disagree with him on his feelings about the need to have called Parliament back early for a debate on this matter. I think he acknowledges that the provisions of the National Defence Act have been fully complied with. The government has made an effort from the outset to ensure that the Canadian people and Parliament were kept fully informed of the reasons for our involvement in the Middle East and also of the nature of that involvement. The hon. member concluded his remarks by insisting that Parliament continue to be informed. I am sure that my colleagues, the Minister of National Defence and the Secretary of State for External Affairs, will attempt to do precisely that.

I want to associate myself fully with the vast majority of the content of his remarks and congratulate him on what I think were very useful and constructive comments.

• (1210)

In times like this members of Canada's Armed Forces who daily demonstrate their patriotism and their love for Canada are called upon to make special sacrifices and literally to put their lives on the line in defence of freedom and in taking a stand against aggression. I think it is incumbent upon all of us in the House of Commons to set aside the normal partisanship that exists in this place to indicate that they have our full support as they go ahead. Let us indicate as well that the principles in support of freedom, the principles in support of the rule of international law, and the principles in support of those who would resist aggression, remain alive and well in the House of Commons and remain central to the hearts of Canadians from one coast to another.

I want to congratulate the hon. member for his contribution, which I think helps to fully underscore that point.

Mr. Mifflin: Mr. Speaker, I want to thank the hon. minister for his comments, realizing that there is a difference of opinion in that regard.

Irrespective of how the motions sit now—as you are aware, Mr. Speaker, we have a motion of the government and an amendment to that motion by this party and an amendment by the NDP—I hope that we can put something together because I think it would be really important to the men and women who are serving our country if we could get all-party, unanimous agreement from the House. Whatever is going on should really have the full support of this House. As one of the 295

members I would do almost anything to be able to encourage that and to make any compromise that is necessary to have an all-party resolution so that the men and women over there could know that they are serving with full support, without any partisan disagreement or anything of that nature.

On another item, because the hon. minister did speak about the human aspect, I get upset when I see people trying to draw conclusions from certain facts that when added up really do not portray the full story that was perhaps intended, and intended with the best of intentions if I could add that caveat. I am referring to a couple of articles which have appeared in the media, and perhaps for good reason, but I think it is important to give my impression from talking to families and from talking to people who are aware of what is happening over there that morale is good. Of course there are concerns.

I would like to read three paragraphs written by Master Seaman J. B. Eldershaw, HMCS *Athabaskan*, in response to an article which indicates that there are concerns among the men and women on the ships, that there is ennui, and that they are upset about the patrols and how much time they spend on patrol, and that sort of thing. As a prelude to it and as a sailor, when sailors are not complaining you are in trouble because they always complain. God bless them; they have the right to do that. As long as people listen to them they are relatively happy. In the last three paragraphs, and they are short—he says:

> Let me make it very clear: our morale is very high. In fact, I have never seen it higher and I've served aboard *Athabaskan* for the past four years.
>
> Sitting around and waiting is always boring and this gives us a lot of time to think of things to complain about. The expression that a sailor is not happy unless he is complaining was coined for a very good reason.
>
> There is always a minority who complain about everything. They are insatiable and are probably responsible for the article in question. These same individuals have finally realized that this is not a nine to five job and was never intended to be. My opinion of them is low and my advice to them would be, "If you can't handle it, get out of the navy. You weren't drafted, you volunteered."

It gives me great heart to hear from a fairly junior member of this force who has taken it upon himself to be concerned about these kinds of comments and concerns and to address them in a very forthright, honest, and candid manner.

I hope that will give relief to the parents, the friends, and the families who after all are going through the same kind of anguish, anxiety and concern as those who are serving are going through.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, it has been a long time in coming, but as one who was involved with this issue from the beginning, as the former external affairs critic for my party, I am very pleased to finally have an opportunity in the House of Commons to say something about the situation in the gulf and the Canadian response to it.

I had many occasions during the course of the summer, after the invasion of Kuwait, to call for the resumption of Parliament and to be critical of the government for finessing the requirements of the National Defence Act in such a way as to make it possible for Parliament not to have to come back until its scheduled return on September 24.

Before I say anything else, I would like to say that I appreciated listening to the hon. member for Bonavista—Trinity—Conception. I understand that he had a distinguished naval career.

I was brought up in a house in which one was encouraged to have a great deal of respect for Her Majesty's senior service, my father having served in the Fleet Air Arm during the Second World War. I come from a family with a military tradition, if you like. My grandfather was in the First Canadian Mounted Rifles in the First World War, and then there was my own much less demanding service in the Queen's Own Cameron Highlanders of Canada in Winnipeg. I would therefore like to associate myself with many of the things which were said by the member and also by the former defence minister about the men and women who served in Canada's Armed Forces.

One of the things I understood myself to be doing in the military, and I am sure my father and my grandfather before me understood themselves to be doing, was defending a way of life in which people had the freedom, particularly in Parliament, to be critical and analytical of the actions of their government, even when it came to military and foreign policy decisions. That is what I intend to do today, express my differences of opinion with the government about how it handled this particular issue.

There is no dispute about the unacceptability of the invasion and annexation of Kuwait by Iraq. Indeed, the unanimity of world opinion with respect to that is something that is to be greatly valued. I will talk about the value of unanimity and how everything ought to be judged in terms of whether or not it contributes to that unanimity shortly.

First I would like to go back to the week following the invasion of Kuwait, a week in which I was here in Ottawa, to retrace events and show how our criticism of the government evolved at that time. I begin by saying that the government was not, in my judgment, as concerned as it could have been in the past about what was happening in Iraq. This government and many other western governments contributed to the current situation in many ways, through unacceptable silence when Iraq committed acts such as the gasing of its own citizens, particularly the Kurdish population, through helping to arm Iraq during the Iraq-Iran war, and also by generally giving out a message to Iraq—as indeed we unfortunately give to so many other countries—that we really are not all that concerned about what they do as long we are able to maintain good commercial relationships with them.

It was in that vein that the NDP called for the Government of Canada to impose sanctions on Iraq before the Government of Canada actually did. There was a bit of lag time between when other countries imposed sanctions on Iraq and when the Canadian government imposed those sanctions. It was not a long time but nevertheless it was not an automatic response on the part of the Canadian government. We had occasion to call on the minister to do that in the morning, and sometime later that day he did respond and impose the sanctions.

• (1220)

I had an opportunity to meet with the Secretary of State for External Affairs early in that week. Without going into everything that we discussed, I had no impression at that time that Canada would by the end of the week be sending ships to the gulf. What I was trying to do in requesting and getting that meeting was to try to establish the basis for a bipartisan or tripartisan or collective approach to the problem.

It was something that did not succeed in the sense that the announcement about Canadian military participation came after a meeting that the minister had with NATO foreign ministers in Europe, not after a meeting that he had with Canadian parliamentarians about what the Canadian response should be.

In that sense I just want to situate the announcement. I thought it was unfortunate from a tactical point of view that the Canadian announcement about sending the ships came prior to us as a country knowing the outcome of the Arab summit which was taking place at that time. I think if the government had wanted to look less like it was simply responding to an American request, even if it had waited a day, it would have been able to say that it was doing something which Arab nations were doing. There was an impatience there which I think helped contribute to a context in which Saddam Hussein was more able to make the case—I do not think he succeeded in doing so— that this was a sort of western gang-up on the Arab world, which I do not think is true.

I think all decisions have to be judged as to whether or not they contribute to these false perceptions. I think the government being impatient in that way contributed to that perception and in that sense is to be criticized.

I also think that the way in which the judgment to send ships came after a NATO meeting also reinforced the sense that this was the western industrialized world, not so much concerned about aggression, but concerned about protecting its way of life which is dependent upon the consumption of oil. Again, this is not something that tells the whole story about what is going on in Iraq and Kuwait, but nevertheless reinforces a perception which did not need to be reinforced. I think there is an element of truth to that perception but it is certainly not something that should have been reinforced.

The government demonstrated what we at that time, and still do, regard an impatience, in not giving the United Nations enough time to get its act together to put together the kind of real multinational or UN force under UN command that might have been possible. I say only "might" because it may not have been possible.

Our criticism of the government is that it did not really give that enough time. Canada has a special historical role, if you like, at the UN that it could have played out in this case in trying to put together a UN force. We did not need to be there, Johnny on the spot, after the Prime Minister's meeting with the President. If the goal was to deter an invasion of Saudi Arabia, then clearly the

American forces were already doing that and the Canadian ships were not required in order to deter Iraq.

If the goal was to enforce UN sanctions, at the time at which it was announced that the ships were to be sent the UN had not yet legitimized the use of minimum force to enforce the sanctions. Yet in a way the government was saved from more criticism by the fact that the UN eventually did sanction to the use of force to enforce the sanctions. When that decision was taken, that resolution had not been passed.

We feel that the government could have, in light of the comments that I have just made, put more of an effort into constructing an appropriate, forceful and certainly military, if need be, UN response to the Iraqi invasion of Kuwait.

I would like to make a few comments about the larger picture concerning the Iraqi invasion of Kuwait, and some of the things that have been said about western, or particularly American or whatever hypocrisy, when it comes to the situation in Kuwait. I want to agree with some of those observations and I want to disagree with some others.

First of all, I think it is unfortunate that President Bush on occasion has been heard to say, and I heard him say it myself, that all nations who benefit "from the free flow of oil" should be sharing the burden with the United States in the gulf.

I think we have to make up our minds, and the President has to make up his mind. I heard him say last night on the news that this is not about oil, this is about naked aggression.

Well, I think it should be about naked aggression and I think it should not be about oil. But the President himself has said these kinds of things and it is in the saying of those things that he gives rise to the criticisms that he has received not just from non-Americans but from American citizens themselves. They are worried that what is really motivating the administration is not a great concern for the welfare and the sovereignty of Kuwait but an attempt to protect the American way of life, a way of life—including our own—that is excessively dependent on the consumption of fossil fuels, dependent on the consumption of a finite resource.

At this point we are consuming far more than our share of that resource, particularly when you consider that it is a finite resource. When I say "we" I mean North America, Europe and all who are concerned about oil supply. We need to be pushed on this, for it seems to me that if we can leave out the character and the ambition of Saddam Hussein for a minute, sooner or later as a civilization we are going to have to face up to the fact that we cannot continue to consume a finite resource, in this case oil, in the way we have been consuming it. We ought not to be prepared either to go to war or do any other thing damaging to the future of the planet in order to maintain that lifestyle for as long as we possibly can and to hell with the future.

It is with respect to this so-called defence of our way of life that much of the scepticism about what is happening in the gulf arises. People know that the international community did not mobilize to save East Timor from invasion and annexation by Indonesia. People know that. People know that in many other cases there has not been a similar degree of outrage.

I think some legitimate analogies have been made and some not so legitimate analogies have been made. I think the one of East Timor is actually the best as far as I'm concerned. There is an anology between Iraqi-Kuwaiti relations and Indonesia-East Timorese relations. Many other anologies are more complicated because the countries which have been invaded by another country have in some way or another, rightly or wrongly, been in a hostile relationship with the other country.

But in the case of Iraq and Kuwait, and in the case of Indonesia and East Timor this was not the case, and yet there was no comparable outrage. People are right in pointing out the inconsistency that attends this international outrage. But that does not make the outrage wrong. It just means that we should have this kind of outrage all the time when these kinds of things happen.

• (1230)

Those of us who point out these inconsistencies and these hypocrisies are not saying we should not be outraged, we are just saying let us be outraged all the time when this kind of thing happens. Let us have the international community focus itself like it has been focused in the last few months every time a small country is treated in this way by a large country, or by a neighbouring country, whatever the size of that country

may be. This is what we hope and this is what was originally intended to be the role of the United Nations.

In this post cold war era, we are at a very critical time in international relations. Will we finally seize and realize the original dream of the people who put together the United Nations and have the UN responsible for world peace and such actions as may have to be taken in the Gulf? Or, will we go from a situation in which we had two global policemen who cut up the pie to a situation in which we have one global policeman left, that is to say, the United States of America?

In this instance, the United States has been successful in working with the UN and having the UN approve many of its actions. To that extent, those of us who are UN supporters support the decisions taken by the United Nations. But it is incumbent on all of us to ask of every decision taken by the Canadian government, the American government, or any other government, does this decision contribute positively or negatively, first, to the maintenance of unanimity in the condemnation of what Saddam Hussein has done? Second, does it contribute positively or negatively to the strengthening of the United Nations?

It is in this sense that we feel any further action by the Canadian government in the Gulf ought to be only in the context of a UN resolution. If things were to proceed to a military confrontation in which Canada is involved without the sanction of the United Nations, and, in that sense, an entirely new context having developed for that military involvement, we would as a country be involved in an effort that would undermine seriously the possibilities for the UN finally to realize its role. We would be participating in an action that would establish, not the UN as the primary enforcer of peace in the world in this post cold war era, but rather the United States.

That is our concern. We hope the government will consider the amendment. We also hope it would be in this way that the House might come to agree on something. The government, in my judgment, has not done this as well as it could have done. There are ways in which we could have agreed. There are ways in which Parliament could have been involved. The government has chosen not to do that, and I very much regret that because I remember the former Minister of National Defence, who is in the House today, made a point of coming to Parliament when he sent peacekeeping observers to Iran–Iraq. He very quickly made a statement in the House and provided an opportunity for the House to comment on that.

Mr. Beatty: Your party said I was wasting time when I did it.

Mr. Blaikie: No, I do not think that is the case at all. We did not think you were wasting time. In fact, on every occasion when ministers on the other side have chosen to make statements in the House, we always indicated that that was the procedure we were glad was being followed.

This is a procedure that could have been followed this time if Parliament had been called into session. Instead, the government chose not to do that, perhaps for other political reasons. Perhaps it did not want to face questioning in the House on Oka, or whatever the case may be, but I think we lost an opportunity which I genuinely believe was there to come together over this particular incident. Instead, it appears that the House will probably divide on this.

I think our people in the Gulf, and Canadians generally, should see this, not as a lack of resolve to do the right thing when it comes to Saddam Hussein and the situation in the Gulf, but as one of the continuing flaws in our political process, particularly in the way the government approaches these kinds of issues. It is not a lack of support in any way for the men and women in the Canadian Armed Forces. It is not a lack of condemnation of Saddam Hussein and what he has done in and to Kuwait. It is not a lack of confidence in the UN. It is exactly the opposite. It is a wish that Canada would do everything in its power to see that the United Nations becomes the principal instrument by which these kinds of crises are solved in the future.

The Acting Speaker (Mr. Paproski): Questions or comments. The hon. member for Sault Ste. Marie on a question or comment.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I congratulate my colleague on his usual grasp of a very complex topic. I also suggest that he has brought a slightly different tone and probably a different plane to the debate that I have followed for the past couple of days.

Some of the things he has said, I suppose, are not music to anyone's ears, when questioning some of the motives of some of the actions. It is at times even embarrassing to hear some of the statements with reference to hypocrisy, but I think most of us appreciate and understand that this is true.

My concern is that the darker side of the issue, if you will, is very seldom heard in this House. I am sure that most Canadians are totally unaware of this darker side of the issue. I appreciate, Mr. Speaker, this is a rhetorical question, but I would ask my colleague why is this aspect not brought out on a more regular basis in the House?

Mr. Blaikie: Mr. Speaker, what the hon. member for Sault Ste. Marie says is true, although I would think that there are actually quite a few Canadians who are aware of the dark side of foreign policy, if you like, that is to say that decisions are always made for a variety of reasons, but only some of the reasons ever get into the official press releases.

Many people who have been involved over the years in the Canadian Armed Forces would probably be one group of people who would know that better than most. The official story is always somewhat different than the reality. Certainly those of us in politics know that this also applies, unfortunately.

The dark side, of course, is the involvement of the West in creating a situation in which we are so vulnerable to threats to our oil supply, by deciding to have our way with the world. It is unfortunate that it has to be a Saddam Hussein who wakes us up to this dependence. Far better that we should have recognized ourselves this dependence and did something about it. Instead, we waited for people like Saddam Hussein to come along and wake us up to this reality. Unfortunately, part of the reason for that is due to American, British, and other European actions in that area in the past, anyone who wanted to suggest in a democratic way years ago that perhaps oil should be distributed in the world in a different way was not allowed to survive politically. The only people who are allowed to survive politically are either regimes which are friendly to the interests of the multinational corporations or people who are violent and, therefore, because of their own sinful ways, are not to be intimidated by the sins of others.

• (1240)

Of course, the other dark side is the way in which we arm these people. Then we get upset if they do not do what we tell them. It reminds me of the invasion of Panama by the United States. It had to get rid of this bad guy, Noriega, after spending years using him, arming him and funding him. Then, all of a sudden, one day he did not do what he was told and then he became a demon.

There are some similarities with the situation in Iraq. It is not identical, but there are some similarities, as with others ways in which we in the West have operated in other areas of the world, and failed to understand how these things come to be perceived by people in those areas of the world.

I, for one, do not pretend to be able to enter into the Arab mind in its perception of this particular crisis, but I certainly am not willing to uncritically assume that everything that we have done in that area over the years is right and that everything that others have done is wrong. That is to enter into a form of jingoistic politics which the NDP, to its credit, and many times to its political damage, has never been willing to be a part of. That is one of the important roles the NDP has played in Canadian politics over the years, to be that prophetic voice which does not point only to what others are doing wrong, but which also points to what we are doing wrong.

People do not like to listen to that sometimes. They think we are not being loyal or we are not being patriotic. Yet, in the final analysis it is the people who are willing to speak the truth, even when it is about their own country, about their own civilization, about their own neighbours, about their own friends, who are doing the greatest political service.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, this is a very important debate to be engaged in and one at which the House has taken a considerable amount of time. I think it is because those on this side of the House, particularly in the Liberal Party, and also our colleagues in the NDP, appreciate just how delicate a matter it is to show support for an international effort and at the same time maintain our objective of creating peace throughout the world.

As often is the case, the big questions come in small steps. One is caught not knowing quite where to draw the line, when to say no, and when to jump on the band

wagon and support the government and our allies throughout the world.

When the government began its activities, it chose not to recall Parliament. It chose to do this unilaterally. It chose not to make reference to the House, to the committees of the House, or to have a full debate. Canadians, when many are put at risk on ships and in planes in support of an international effort, have a right to a full explanation and a full debate. All international conflicts involve more than one perspective and this one is no different.

The very first step of not recalling the House put this debate in an awkward position for Canadians trying to understand why the government moved arbitrarily and why the government did not invite other Canadians to come forward with their opinions. As you know, Mr. Speaker, the government knew at the time that we had two or three months to get organized while the situation unfolded. We are right now, perhaps, on the edge of a war. It is a very serious situation and this could have been considered by Canadians many months ago.

When the member for Winnipeg South Centre, on behalf of this party, saw this motion, he suggested the following amendment:

> That this House censure the government for not recalling Parliament at the earliest opportunity to fulfil its legitimate function of consultation and debate as to what role Canada should play in the resolution of the present crisis;

—and that this be sent to the external affairs committee.

If we had followed that strategy, then the government would have found itself working within a consensus and not working within a divided House.

As the member for Winnipeg—Transcona noted, it is very important for Canadians to understand that when the government enters into an international conflict it is done with the support of the House. It is rather unfortunate that as the original motion stands the government would not be able to get a consensus in the House because it ignored some of those basic steps that have to be taken.

Second, the resolution suggests that we be working through the United Nations more directly.

This is a very fine point, one in which there is a great division in the international community. I think we should address that issue very directly.

The issue is that the United States has taken leadership on behalf of the allies. This is the same way they moved in to the Korean war, in which they were able to use the UN flight that is essentially a U.S.-based operation. When we saw this particular activity, people thought that this was very much like other international activities in that the UN is just blessing the Americans. We think that Canada has had a long tradition of making sure that the United Nations grows in strength. The United Nations of 1990 is different than the United Nations of the early fifties when the Americans made their move and used it as a front in the Korean battlefield.

We should be doing everything within our power through our ambassador at the United Nations to continue our strategy of moving multilaterally in all areas, whether we are talking about trade agreements or talking about humanitarian organizations or war organizations. Our support and our future rest in the use of power, not in absolute ways but in very moderate and measured tones. That can only come through strong international organizations. We run the risk, particularly now at a critical moment, of allowing the circumstances to overtake our position unless we state quite clearly that it is only through the United Nations that we will continue to participate. That is in no way undermining the tremendous effort being made on our behalf, that is on behalf of the House of Commons, Parliament and Canadians by our military people.

I join my colleagues who have spoken before me to issue a thanks to them for being prepared so quickly, for finding the resources quickly in an organization very short of resources, and heading out in support of the United Nations effort. We wish every one of them good health. We wish that a conflict can be avoided. We wish that they are able to return to Canada unscathed by the settlement of this difficult problem.

In this context, as we show support for these people in the field, we also have to make sure that the basic support for the United Nations is not in any way eroded. We are at a critical point in the development of world politics. This was alluded to earlier in the debate by other speakers. We have come from a point where we

had this tremendous confrontation on the European front that riveted the world. That confrontation was between the Soviet-based countries and the American-based alliance in Europe. We in this House all hope that we see the end of this conflict.

As the conflict is shifted from one difficult front, the European front, to the most volatile front of all, the Middle East, we see for the first time these two former enemies joining forces to attack publicly, and I do not mean in a military sense, Iraq. There is, in this short time frame, a new working alliance. We can only hope that it is the beginning of a new front that will expand, not only for war-based activities but will expand into humanitarian efforts, food efforts, foreign aid efforts and human rights efforts, into other fields in which we need to see more co-operation.

Right now, in people's pleasure in seeing this new marriage on the international front, they are willing to put aside some very basic questions. That is that people are motivated to work together out of a basic self-interest. It is in the self interest of the Soviet Union to have a stable front in that part of the world, and to have a stable oil supply in that area, just like it is for the western nations to have a more stable oil supply. While we have this in common, we cannot let it override the reality that we need to strengthen the United Nations.

We, on this side of the House, have been petitioning the government, working in committees and writing letters to the government to remind them not to let this organization become dominated by American interest and/or Soviet interest because it must be the interests of the United Nations that allows us to continue.

The United Nations is by no means a perfect organization. As pointed out before, the United Nations has turned its back on many very important regional conflicts. Whether one is talking about East Timor or other parts of the Middle East, the United Nations does not move with one voice. Nevertheless, it is functioning in a way that this new alliance gives it newly discovered credibility, and we want to make sure that that continues. Interests change. If you allow one party, particularly the American party, to gain ascendancy without question, then you set in motion problems down the line. For example, the American government right now has a changing domestic scene. The popularity of the president, according to *The New York Times* last weekend, is dropping dramatically, in part because of the recession which is excellent news for the government in this country, but also dropping because people are unsure of what will happen in the gulf crisis.

• (1250)

There was some television coverage a couple of nights ago about the president speaking to university students who were shouting "no war for oil". If that begins to shift, what does that do to the American president? Does he become more anxious about solving the crisis? Does he become more aggressive in his foreign policy? Does he decide that the battle is no longer worth the principle, or the principle is no longer worth the battle, and therefore it leaves.

For all these reasons, as the American political scene changes, its interests change. You cannot be driven by those interests. You have to be driven by an international organization on top of those interests. You have to keep reminding the government that the reason we were to be there is to support the UN, not to support the United States, although the United States is our longest and dearest ally and one for whom we would show any support necessary to make sure that its interests are protected, but we wish to protect those interests through the United Nations.

The United States is heading into congressional elections and battle fronts become part of political battle fronts. You cannot have the changing interest of a congress facing an election in early November affect the way it approaches the Middle East. Again, we secure the different political fronts by securing the United Nations and the Security Council.

What we on this side of the House ask is that this government does not get ahead of itself. The original motion proposed by the government was a blank cheque. It wanted to say that it had to go in and give support and only give it under certain conditions. Conditions change and we want the government to come back to the House to discuss this with us regularly. I think that is a fair and reasonable position and one with which most Canadians would agree. I am sure Canadians in the gulf who are ready to fight for us would be very anxious to see the next steps discussed in the House of Commons and by committees.

As a result of the concerns raised in and outside the House, we think the government's position should change and be put on paper. It should place all possible actions in front of us and come back here to discuss them before going any further down the line. There is an expression that you can get too far ahead of yourself. I think the government, in asking for that blank cheque,

wishes that we just accept its judgment before we have an opportunity to see what the problems may be. This side of the House absolutely refuses this. It is also important to put it in the context of the United Nations itself.

There is an excellent article written by Bernard Wood of the Canadian Institute for International Peace and Security. He raised the question that the most important substantial concern related to the dominant United States role in the gulf effort is linked to the basic question of what the aims and procedures of the whole operation really are and who will set them. Once again, it must be stressed that there is no easy answer. We are in unexplored territory in trying to co-ordinate an effective and legitimate response to aggression by the whole international community. He pointed out that the territory is not totally unchartered because the United Nations does have a procedure. On the one hand, we have an international crisis which was only anticipated in the most remote corners of policy and research institutes. We had a situation where everything that could possibly happen blew up very quickly and the only place that has any experience in dealing with international crises is the United Nations. Again, I join those people who say, if you turn to the United Nations and strengthen that organization, you are likely to be able to build up a stronger history of working together.

There is another point related to the situation that I think should be mentioned. It is that when we were fighting the Soviet Union, and all western nations were fighting the Soviet Union in one way or another, we had a reason, we had an ideology. We knew that these were the communists and we opposed comunism. We knew that we were Conservatives, Liberals or socialists but we knew that we were against the communists. We fought them. But when you have the breakdown of ideology, as they have right now, when you have Europeans forming new alliances, when you have the Third World thinking a different way, when you have the debate in North America changing, people do not have those small, one-line expressions to hang on to tell them what is going on. So when the so-called bad commies join us, what do you make out of a battlefront where the commies are fighting with the Americans? Well, it means that one has to stop and think: what is this world all about?

Therefore, there is the battle for public relations. One of the most interesting developments in this battle is watching the different leaders, who speak different languages, putting forward their positions on an American-based network, CNN, which is watched throughout European and Middle East hotels as well as in Asia and throughout North America. There is the leader of Iraq giving his position, the King of Jordan putting forth his case as to what should be done, and the American congressional leaders coming forward. There is a fight for public relations. The Americans know how to play this game and so, in many respects, the momentum again rests with them.

Without ideology and without thinking through the situation, we can get caught up in that rhetoric, particularly in Canada where there is such a spill-over and we think: well, these are our close friends, that must be the best direction to go. But close friends must work closely together and often close friends, to work together, need a body which provides a forum for arbitration and for discussion that makes any discussion a little more flexible and a little easier.

I recognize, like other members, that this situation is not getting any better and whatever we say today might be overtaken by events tomorrow and that we may, in fact, be into a crisis overnight. We just do not know. We hope not, but we do not really know. As the alliance through the United Nations puts into place its forces, the supply ships catch up with the troops who are flown in, the fuel depots are organized and everybody sits and waits in the desert for the next move, one has to stop to think about people who are sitting there day after day.

The date on the calendar changes, the American election passes, the date approaches Christmas and, all of a sudden, you get people saying: "Well, how long are we going to be here? Are we going to be here for months? Are we going to be here for a few hours? Do we pull back?" Who is going to make that decision? Who is going to sit there and say this has been long enough? When are we really going to know that grain supplies are depleted in Iraq? When are we going to know when the will of the leader of Iraq is broken and what is going to do it? Who is going to take responsibility for these?

I say, in conclusion, that these questions are difficult. There are moral questions and there are military questions. These should not rest solely with one of our closest friends. They should rest in the United Nations. As our government participates, it should be bringing back to this House of Commons, on a regular basis, a report—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker, I very much regret to interrupt the hon. member. I know he was just concluding. But I believe that if the Speaker seeks the consent of the House, he would find that there would be agreement to sit during the lunch hour—we are coming to one o'clock now—in order that other members might fully participate in this very important debate.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Mr. Boudria: Mr. Speaker, there would be unanimous consent on our side. I just want to add one element and that is if the House agrees, we have some sort of understanding that we not call quorum calls or other dilatory motions during that period between one o'clock and two o'clock.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Debate. The hon. member may continue. He has one minute left.

Mr. Walker: Thank you very much, Mr. Speaker. I accept the interruption. It gives us on this side a chance to continue this very, very important debate.

• (1300)

In conclusion, one of the most famous current writers on international politics, Paul Kennedy, has observed that the history of international affairs over the past five centuries has all too frequently been a history of warfare or at least the preparation of warfare. Here we are, in an historical context, in the preparation of warfare.

I call upon the government to remember its obligations to the House of Commons in reporting back to us regularly. I call upon the Canadian government to remember its commitment to the United Nations.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to compliment my hon. colleague for such a learned dissertation and for looking at aspects of this problem that we are facing with perhaps different parameters than we have heard in the House so far. I am very pleased to be able to report on this. I am sure his background has given him a different slant on the kind of operation we are involved in.

I would like to pose a question to my hon. friend, partly by way of a comment and partly to seek his views on this particular aspect of it. He did dwell on the United Nations aspect of this particular crisis. As I understand it, if there is any such thing as a model operation in the United Nations and it being followed by one of the superpowers, the superpower on our side in this particular case, I think we are looking at one now.

The sequence of events as I understand it was a model progression. We had resolutions identifying that there was aggression and there was fast agreement on that. We had calls for compliance, for non-military sanctions, and then we moved on to a stronger, more offensive term called blockades. Only if these measures are not successful do we contemplate any kind of military enforcement action.

As I suggested, these steps have never been more faithfully followed and I have been following this matter for a while. The clear objective, as I stated in my presentation an hour or so ago, is to get Iraq out of Kuwait and keep it out.

I maintain that we are looking at a slightly different operation from anything we have ever seen before, because of the cold war and because although Hussein is fairly clever about the way he went about his business, I think he forgot there would be relatively fast agreement on the resolutions in the United Nations by close to 30 countries that they would participate in this peacemaking operation. I perceive with small evidence—but I am buttressed and given confidence—that we may be looking at the beginning of a new world order.

Indeed I think I suggested we may be looking at something that could be the basic crossroads in the evolution of an international world order. Although it is *ad hoc*, impromptu and kind of rag-tag right now, this operation could be the beginning of a world police force, a world order. Although it is not as well put together, command and control-wise, i.e. under the United Na-

tions auspices with a good command and control structure, I accept that we are evolving toward this.

I would like the hon. member to give the House the benefit of his experience and perhaps to make specific comment on whether he sees this as something that may pertain in a more orderly and more procedural manner in the future?

Mr. Walker: Mr. Speaker, it brings to mind that none of us are quite sure right now what is going to happen in the world. We have the end of a traditional conflict between the Soviet Union and the United States base groups. We have the conventional armies being pulled back on the European fronts. We have had long discussions and some new agreements on the nuclear arsenal. It really is a shift between those two powers.

I personally am very optimistic. I wish the Soviet leadership all the goodwill in the world to overcome the difficulties in its economy and all policy areas where it is lagging behind. It just needs a lot of support from the world right now.

As we resolve this conflict— and perhaps this is where some of the academics can help us understand—we will find that the regional conflicts can have the same degree of troublesome hostility that we once associated only with the great powers.

We are dealing with Iraq which has not only the capabilities of a large and well trained army that has survived a seven-year fight with Iran, but it also has chemical warfare. It may have long-range missiles. We do not think it has access to a nuclear arsenal and we certainly hope that it does not have access to it. However, the potency of that force compared to what we would have seen in the fifties and sixties has changed dramatically.

As we resolve a large conflict on one front, we turn around and face the Middle East. The Middle East is not only going to involve the Iraq-Kuwait border, but it is also going to involve other border fronts. Of course that is why a peace plan and a Middle East committee was suggested. I think that that should be supported by all members of the House.

The fact that these 30 nations are working together and the fact that each step has been going along very carefully and in a very controlled manner is testimony to just how determined the leadership of all these countries is to make sure that this is a successful venture.

Then we go down the line and we have to come to some very critical decisions. How are we going to come to the conclusion that the blockade is not working? Who makes that decision? Once that decision is made and if the answer is that it has not worked, who makes the next decision? Once that decision is made, who implements it?

Those are very important questions. I think the member is right in asking me to address those matters and to give them some thought.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will be brief. I listened with care to the hon. member's statement. I know he has given a great deal of thought to this issue, having worked with him on the Standing Committee on Human Rights in the past and in particular on the subcommittee on international human rights.

I would just like to seek clarification from the hon. member with respect to his position on the resolution which is before the House. There is a resolution before the House now. There is an amendment and a subamendment. Is it his intention to support that resolution or not if the amendment fails?

Mr. Walker: Mr. Speaker, I thank my colleague for the question. I too enjoyed the collegiality we shared on the human rights committee in addressing many issues.

This is one of the most important debates that we can have because we are looking at questions that not only deal with the immediacy of the Iraq-Kuwait-United Nations conflict but also deal with some very basic questions about the UN.

When I was listening to his question, I was thinking of the point that it is not only dealing with what the Middle East looks like today but what we are going to do when this conflict is over. For example, if we are successful in the blockade and Kuwait is restored, are we going to leave Kuwait as a battleground for Iraq to come into again? Are we going to leave it as one of the most undemocratic regimes in the area? Or, are we going to try to show some leadership and say: now that we have

the UN involved with this war preparation task what are we going to do post-war? What are we going to do if we have a peaceful settlement? What are we going to do if we do not have a peaceful settlement?

Again the UN plays an important role because as we move into resolution of a conflict we have to be prepared for the other side. This particular resolution is just the beginning of a debate. I am interested to see what contributions the government continues to make and how it receives the amendments put forward by this party. Of course the hon. member's party has put forward some interesting amendments, and the total package represents a very interesting way of approaching this particular problem and shows consensus.

Mr. Derek Blackburn (Brant): Mr. Speaker, I think this is the first time I have spoken in the House—and I have been here for nearly 20 years—in which I see in front of me one other member. Anyway, because it is the lunch hour—

The Acting Speaker (Mr. Paproski): Order, please. There was agreement that other members would be out for lunch. I hope the hon. member would not bring attention to it.

Other members are either in the lobby or watching the member on television, so it is not a question of them not being here because of the lunch hour. The hon. member is a long-time member and knows that he should not reflect on who is here and who is not here.

• (1310)

Mr. Blackburn (Brant): Mr. Speaker, I appreciate your comment. It was not meant to be a criticism. It was more of a humourous remark, but I withdraw that statement. I know the quality in the audience is absolutely superb.

The issue under debate has been with us for only a couple of months, but in retrospect one has almost to state at the outset it was inevitable that a major military confrontation would erupt in the Middle East at some-time, whether it was last summer, this fall or this winter, because there are so many serious problems that have gone unsolved in that part of the world for so long.

What we see in Iraq with Saddam Hussein is not the only issue in the Middle East. I want to refer to at least one other issue that has been crying out for a solution for a long time.

On August 2, certainly the world was shocked, angered and saddened at this very sudden military seizure by direct action and direct force of the independent state of Kuwait. All those—and certainly this House—who believe in and support democratic institutions and the peaceful evolution of our societies condemn this military move out of hand.

By way of introduction I cannot help but reflect on the bitter ironies that are so apparent in what is going on in the Middle East and in the gulf. Indeed reference has already been made to the seven or eight long years during which Iraq was engaged in a war with its neighbour Iran, yet during all those years and for years prior to that war virtually every permanent member of the Security Council lined up to sell weapons to both sides in that war: Iran and more particularly Iraq. Today we are reaping the whirlwind of that tragic misjudgement on the part of both the arms industries and the international community.

It is more than just mildly ironic that all of a sudden the United States, the United Kingdom, China,and the Soviet Union, to mention only a few, are wringing their hands and saying "good God, what has happened in the Middle East", when for years and years they sold arms and highly sophisticated weaponry to the state of Iraq. They have built up Saddam Hussein's military to the point where he has become a threat, not only in the gulf but in the entire Middle East. That is just not good enough.

We also have a situation where all of a sudden we have discovered that the Security Council should take direct action because one state has been militarily seized by another. I agree with that action and those resolutions, but I would like to know why even to this day Canada and the United States, the United Kingdom, France and so on, have not come to the rescue of the Palestinians.

After all, the UN passed resolution 242 calling on the state of Israel as an occupying military force to withdraw from the west bank. At the time of the military takeover in 1967, at the end of that war, even with the UN resolution that was not one gun, not one tank, not one plane from the United States, France, the United Kingdom, or Canada. I did not hear any parliamentarians

on the government side in those days stand up and say that we were calling for a Security Council resolution that would send an international police force to the west bank to make certain that peace was maintained and that the sovereignty of the west bank would revert to the Palestinians. There is more irony as well in that lack of initiative on the part of the western powers and in the Security Council. Could it be, Mr. Speaker, that the major difference is because there is oil at stake in this gulf crisis and there is no oil to be found on the West Bank or in the State of Israel for that matter. Well, one wonders.

We also have to look at another irony. Even though the State of Kuwait was forcefully and militarily taken over and is being pillaged and raped today, it seems somewhat ironic that we are rushing to its aid. Indeed, some are even suggesting that we use direct military force now to re-establish the emirate in a country that is not democratic, has no intention of democratizing itself, and which has refused consistently over the years to spend appreciable amounts of money from their great oil profits to help the poorer Arab nations in the Middle East. And the same could be said for Saudi Arabia.

Yet all during the Iraq-Iran war, Saudi Arabia and Kuwait egged on Iraq and Iran, hoping that they would both knock each other out as major nations and threats to their very rich oil fields in the gulf. That is another irony that I find very difficult to come to grips with.

Notwithstanding the bitterness of those ironies, we have to face them head on, and be as honest as we possibly can. I am convinced, as are a majority—I think everyone in this House—that the Security Council made the right moves at first. They have attempted by peaceful means to put in place a series of resolutions with a blockade, an embargo, economic sanctions and so on, and have given the right to use minimum force to those multinational forces now present in Saudi Arabia and in the gulf states in order to enforce those resolutions. This is as it should be. This is a peaceful approach being taken, to try to disengage Saddam Hussein and his Iraqi forces from their occupation in Kuwait.

Much more is at stake here than simply getting Saddam Hussein out of Kuwait. What is at stake here, I offer by way of argument, is really the future peacekeeping capability of the United Nations: we must be prepared to give sanctions the length of time they need in order to work. I know that means great suffering on the part of the military forces that are out there in that heat and with winter coming on, the extreme cold in the desert, the discomfort, and the cost.

Nonetheless if we jump the gun, if we decide, or the United States decides—and this is one of the problems with the command at this time—it can no longer politically hack it, if it finds out that too much pressure is being built up at home with the mid-term elections coming on, with the rising costs of oil and fuel, with the problems that it seems to have when it is engaged in a protracted war, that opposition develops and the country becomes fractured. There is a lot of internal political and social upheaval and strife as we saw in the Vietnam years.

This might all lead the U.S. command to jump the gun and move militarily into Kuwait before sanctions and the embargo and the blockade have had enough time to take effect. Time is of the essence because it will take a long time. No one has ever said that blockades can be accomplished within a matter of weeks or indeed months. We may be talking in terms of years in order to bring Saddam Hussein peacefully, without military intervention, to his knees, keeping in mind that all this time he remains extremely popular because of the sort of siege mentality that always grips a populace whose country has sort of taken on the world.

One of the worst things we could do is to go in with a so-called surgical strike and, for example, bomb Baghdad. Bombing cities has never proven to be a method of defeating the enemy. I can assure you it did not happen in World War II. We bombed Berlin and Frankfurt and Stuttgart night after night, virtually year after year in the last three years of the war. Yet Germany's determination not only to prosecute the war but to produce in order to prosecute the war, their patriotism and determination to go on was stronger in the latter days of the war than it was at the beginning of the war. The same thing can be said about North Vietnam, the more the Americans bombed the north, the more resolute the North Vietnamese were to carry out and prosecute the war.

• (1320)

I hope the United States has not determined that by a fast surgical strike it can some how bring the Iraqis to their knees because I do not think historical fact is on their side, quite the opposite. We are not dealing with a Panama here. We are not dealing with a Granada. I suppose if you like war, that is the kind of war you like to fight, you go in in the morning and you are back home at night. Maybe that is a slight exaggeration, but nonetheless that is what happened more or less in those two American military operations.

We have to give sanctions a chance. That means a war of nerves. It means a tremendous financial cost to the United States. I think that its allies should be prepared to pay a much greater share of that cost as the period of sanctions and embargo continues to develop. It is very important.

If we precipitately decide that the time has come, that we cannot control the situation without going to war, and we strike and go to war, then we have defeated the United Nations, we have defeated the Security Council. We have said to the world that peacemaking and peacekeeping and pressures through the Security Council, through the United Nations do not work and therefore it is back to gunboat diplomacy, whether it is with CF-18s or with frigates. That is what is at stake here. We have to make it abundantly clear to all other would-be aggressors that the peaceful world, those who believe in the rule of law and peaceful evolution, are prepared to pay the cost of waiting out this long period of blockade.

We know that in the United States President Bush is under tremendous pressure to go in militarily and sort of clean the whole thing up. I understand that he was confronted by experts in the Pentagon, not long ago, who in response to a question by him informed him that in their best judgment direct military action would cost the United States a minimum of 20,000 lives, that is military personnel, with an upper figure as high as 35,000. When one considers that in all of the Vietnam war, horrible as that war was, I believe the Americans lost 54,000 dead, the United States at this point could lose between 20,000 and 35,000 of its young pilots, soldiers and sailors within a matter of weeks.

Let there be no mistake, aircraft are important, aircraft can do a lot of damage. The navy is there to maintain the blockade but when you go to war, Mr. Speaker, you go to war primarily with one component and that is a ground force. You have got to acquire and hold land. That is what war is about. It has never changed. In hundreds of years it has never changed. You have to put foot soldiers, tanks, armoured personnel carriers and artillery in place and you have to move them. Anybody who has been in that part of the world, and I was there a few years ago, has seen the terrain on which these soldiers would be asked to fight. It becomes a horrendous challenge, particularly if the troops are unfamiliar with the kind of ground warfare and topography in that part of the world, whether it be the in the heat of summer or the cold of winter.

Having heard those grim statistics, the question apparently was then asked, "What about non-military casualties?" The figure there goes to a quarter of a million within a few days. We are not talking about a Granada here, we are not talking about a Panama. We are talking about a full scale war. That is all the more reason I suggest this government has moved rather precipitately so far in dispatching the two frigates, the supply ship and now the 18 CF-18s to the Middle East before a UN command was put in place.

That is what we would like, that is what we are holding out for, and that is why we are not going to support the main motion. We do not want Canadian forces actively engaged in military operations unless the entire operation is under UN command. That is where it should be.

No one country and no one political problem within a country or set of political pressures should dominate the major decisions being made, or that will be made, in the gulf. That is why I said a moment ago that I would hope that we would hold back.

The blockade is in place and Saddam Hussein knows that he cannot make a move and go beyond where he is. Incidentally he is beginning to feel the effects of that blockade. Just this morning on the radio news it was announced that yesterday in Baghdad the government called upon not only the civilians but the military to get involved not in military activity this time but in crop production and crop harvesting.

It said that Saddam Hussein has called upon the people to put up with less, to get by with less during this period of sanctions and embargoes. The Iraqi people are beginning to feel the ill-effects not in their extremity, certainly not yet. That will take weeks and months, but we can see some light at the end of the tunnel.

Even though Saddam Hussein may be a fanatic and his populous may be 100 per cent behind him or 100 per cent fearful of opposing him, let us not underestimate human nature. If the situation domestically reaches a point where the suffering outweighs the possible benefits of patriotism to the leadership of Iraq, there will be internal problems in that country that he will have to deal with.

I urge our government to put pressure on the Security Council, on Washington and on the other capitals of Europe, particularly the United Kingdom and encourage the Soviet Union to first of all put in place a UN command so that it is an international force in all its aspects. It will be a UN decision if and when direct action is necessary. I think that is extremely important.

There is one other point that I do not think we should totally overlook. I know that, since Neville Chamberlain and the age of appeasement, those who tend to be hawkish as well as others are harking back to those years and saying that Neville Chamberlain should have put Hitler in his place in the 1930s. Even before Chamberlain, when Stanley Baldwin was Prime Minister, the Germans retook the Rhineland and later the Anschluss with Austria, the takeover of Czechoslovakia and finally with the invasion of Poland, there would not have been a World War II. Those are one of the great ifs in history.

There is one school of thought that says that Neville Chamberlain actually understood Hitler better than Churchill did and that Neville Chamberlain knew that absolutely nothing would stop Hitler, and therefore had to beg for time in the final analysis.

We may be confronted with the same kind of situation here. We do not know. At least up until this point it might be worthwhile, not as a major thrust politically or diplomatically, but to start looking for some kind of reasonable compromise.

The reason I introduce this at the end of my remarks is this. Let us look very briefly at the history of the situation. Iraq at one time did have access to the gulf. Kuwait at one time was part of Iraq. Iraq is a major oil producing nation that should have a port on the gulf but does not have one and lost Kuwait back in 1923.

The point I am getting at is this. If all Saddam Hussein wants in the final analysis is that port, I leave it then to the political experts, the heads of state and the military to draw a reasonable conclusion from that possible compromise, keeping in mind that up to 35,000 American young men and women could lose their lives in a matter of days, certainly weeks, and that 250,000 civilians at a minimum could die as well.

• (1330)

Mr. Speaker, I will not be supporting the motion. Hopefully, the United Nations will eventually set up a command. Hopefully, it will be an entirely UN peacemaking-peacekeeping force. Hopefully, we will give sanctions the length of time that is needed in order to be effectively applied, so that we can avoid the war that is possibly quite imminent.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I listened with great attentiveness to my hon. colleague and, while I certainly respect and appreciate the comments he has made, it worries me to talk about bombing airports and a quarter of a million civilians. The very thought of war at this particular point in time is there. It is part of the baggage, if you like, of the kind of business we are involved in. I think everybody involved is aware of that.

But I would like to spend a little bit more time in measuring the effect of the embargo's bite. I have done some work on this and I would like to share it with the House.

I would start by saying that it was about a month ago that Saddam Hussein was saying that the children of Iraq are dying because they are being deprived of their food, milk, and medicine. With the embargo then only five weeks old, his charge certainly seemed extremely dubious. The reports from the intelligence community and the diplomats in the area reported, despite the line-ups at the bakeries and the preparations for rationing, no staples had disappeared from the shelves.

To address the hon. member's point, precisely when the economic pressure will begin to hurt, and whether or not it will force Saddam to pull out of Kuwait as the United Nations demand becomes bigger and the Gulf

confrontation becomes more spectacular in his eyes, are very good questions.

We are aware that Iraq has one main business, one main export, and it earns all its foreign exchange by selling oil abroad. It imports three-quarters of its food and much of its manufactured goods. Therefore, the economic sanctions are likely to hit them fairly hard, but over what period of time and how self-sufficient can they be? I think this is worthwhile spending a few moments on.

Analysts, like economists, have different assumptions and look at different things, but they have different estimates of how long the food supplies might last. Most of them agree that no Iraqi should be malnourished—that is, to feel the effects of starvation—for at least one year.

There are certain aspects that I think are worthwhile mentioning here. First, this year Iraq had a bumper crop of wheat. Generally it is sufficient in fruits, vegetables, and the staples of the diet that keep people healthy. It is expected that they can go on for a year.

There was a bit of a loophole in the Security Council resolution imposing the embargo and there was some reference made to the humanitarian aspects. I believe that human rights aspect is still being discussed. What is humanitarian is sometimes different for one than it is to the other. I am going to skip over that and look at another aspect here.

Iraq's economy, I think it is safe to say, is only semi-developed and it is likely to grind on in other aspects rather than food for about nine months, according to the general analysis. The need for imported clothing and household appliances is not pressing at this point in time. As the shortage of spare parts becomes acute, water and power supplies will only gradually begin to decline. When a generator breaks down, if there is not a spare part then there will be problems with water and electricity.

There is scope for some flexibility in their self-contained economy, but not very much. There is not a manpower problem. One of the greatest assets that Saddam has, of course, is his one million man military machine and it is not likely to fade away in the immediate future. In addition, from a military aspect, they have stockpiled conventional weapons and spare parts and they continue to assemble the exotic ones. I am referring to here the missiles and the chemical weapons which are a formidable threat. I pray to God that they do not even consider some of the implications of that. They are reasonably well stocked with parts and ammunition, but if a shooting war breaks out the consumption will be at a fantastic rate.

The key question, at least the analyses agree, is how long the foreign exchange will last. The higher estimates put Saddam's reserves at between $10 billion and $12 billion and last year the country spent more than $17 billion on imports. Although they will have to buy what they can this year, the cost of the embargo breaking will increase and the money will eventually run out.

One way or another the sanctions calculations seem to come back to the same timeframe, from six months to about a year. If the international coalition holds together that long, and there is every indication that at least at this point in time after about 10 weeks that it is holding up, Saddam should be hurting pretty badly.

The key question then is, will he withdraw from Kuwait or would he push on to a violent attack. He has got a lot of credibility to guard. He has got a lot of credibility to protect. When he gets in the corner, is he going to give up or is he going to pull the plug? That is a good question. Really whether or not the embargo is successful, or whether or not it is an alternative to war it is still possible, but let us hope that we can continue in the six-month to one-year timeframe and, at every possible opportunity, every second if necessary and through the United Nations or any other body, try to seek a peaceful means to this difficult situation in the world that we have ourselves in.

Mr. Blackburn (Brant): Mr. Speaker, I thank my friend and colleague for his very relevant information and his remarks.

I can only add, and I think he would agree, that it is pretty difficult to gauge ahead of time the actions of a madman. I am not suggesting that Saddam Hussein at this time is clinically insane, but if pushed to the wall, as it were, what would he do as a fanatic on his way down? How many he would take with him? What drastic extreme actions would he take? It is true, he does have some chemical weapons. He may have nerve gas. His missiles apparently are not very accurate and by extending their range they are even less accurate than they

were. For example, he could aim the Scud B at Israel and probably miss within 100 kilometres. It is difficult.

There may be a loss of life and that would be tragic. There is no question about it. As I say, I do not think there is any guarantee, now that he has built himself up to this level of armament, now that he is in Kuwait, and now that he is in total control of his situation, even though the economy will begin to suffer, that we can in any way anticipate what he will do. As long as we are there, as long as the blockade is in effect, as long as hopefully by then a United Nations command has a tremendously effective military at its disposal if necessary, and as long as Saddam Hussein knows that he is at the end of the road, that he cannot go any further and that he has got to build down, I think that is all we can hope for.

Hopefully, as my friend has pointed out, when the sanctions really begin to bite, some sense may come into his position and he may indeed then attempt to bargain for some kind of, I will not say compromise, but certainly some end to the stalemate.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, through the years in history we have seen all kinds of dictatorships and we have seen all kinds of efforts to overcome them.

The League of Nations was a great attempt to try to overcome the problems between the two world wars. That organization failed because the stronger nations of the world failed to support it. We saw the consequences of that through six years of horrible war in World War II.

• (1340)

It brings to light another point about Saddam Hussein and Iraq. When he moved to take over Kuwait on August 2, it was an act of international aggression probably more serious than we have seen in 15 years. The question is, are we going to allow this to happen or are we going to take action?

The hon. member for Brant talked about what might have happened in Europe, when Hitler moved into Czechoslovakia and the other countries, if nations at that time should have opposed him. What would the result have been? We all know that at that time the western free countries were not prepared to hold a great war because they did not have the equipment. When World War II broke out, Britain almost collapsed. It had very few weapons and Canada was the first country to send a major contingent to help.

What I want to point out is this. We will have more Saddam Hussein in world history. It will not stop here. It is the old adage that people who think that we do not need a good solid military force in the free world are just dreaming. We have to be prepared to defend freedom at any time. There is no way in a free and democratic country that force will be used for dictatorial purposes. In Canada, for example, we have had Canadian Forces playing a part in peacekeeping between Iran and Iraq. We are already very educated about the situation there. We have had peacekeeping in Korea and in parts of Africa. Canadians are professional peacekeepers.

In the Persian Gulf we have Saddam Hussein who came forward with a strong army, a fairly strong air force, and chemical weapons which we have not seen used in major warfare since World War 1. All these inhumanities are coming to the fore once again. He is not just a dictator. He is worse than that. We see blatant dictatorship, blatant nationalism and greed on the part of the Iraqi leader and greed is what prompts dictators to move.

On August 2, when Saddam Hussein moved into the oil-rich emirate of Kuwait, the world was suddenly faced with a dilemma. If there is one thing that has been brought to the fore, it is whether or not we should look seriously at reforming the speed at which the United Nations may act under such circumstances. It has always been Canada's position to be peacekeepers under the command of the UN, to unite with other nations to maintain peace, and to maintain international boundaries where there is aggression, but to do it under the flag of the United Nations.

In this case, Canada can back up the resolutions already passed by the United Nations, but we want to see this become a UN force. It is very important, not just for Canada's national policy, what our national policy should be, and that it should be practised, but it is also very important for the years to come. When another fracas break out, nations will say that they will go to war and set up blockades. That is fine, but they will be doing it on their own.

Every time we do that in international affairs in today's world context, we are not doing it under the guise of a United Nations effort and the United Nations mandate. We are weakening the United Nations when we make

these acts against other countries without UN mandate. In some cases, you have to move with speed. I think that the nations of the world, having been signatories to the United Nations when it was founded, have to review the speed and the operations with which the UN can operate in times of crisis. In today's world, where you have the speed to handle such things as new technology and communications, things are going to happen overnight and we are going to have the political and the diplomatic machinery to tackle it.

The next thing we are going to have to tackle is that never again in Canadian history should a Prime Minister send our troops and ships to a virtual war zone and assign them to a command outside the United Nations, even though they are under Canadian command. We understand that. They are still in there as a multiforce and they were assigned there not as a United Nations partner but indeed, as a national group.

The Prime Minister refused to call this Parliament together. That is a dictatorial attitude that cannot be accepted in a free country such as Canada. He did not recall Parliament until the date that it was supposed to return anyway. During the summer we had the Iraq crisis on August 2, and the Oka problem was going on in Quebec. These are serious issues and Parliament was not recalled. That is unforgivable. Never again should anything be supported in this House unless the Prime Minister and this government give a firm commitment that they will recall Parliament before making these decisions in the future.

The chemical weapons on the part of Iraq cannot be condemned strongly enough. That is why it is necessary to push forward in the international community in the years ahead to clear the world of chemical weapons so that average individuals throughout the countries of this world are not going to be the victims of dictators.

It is all very well to suggest, and all of us should, that negotiation and armed conflict must be the only option to resolve a crisis in the world. We realize that there comes a time when one cannot deal with a dictator. One cannot negotiate with him and the world must unite. What better than to unite under the United Nations umbrella?

Today, the cold war has subsided and both Russia and the U.S. are against what Iraq is doing. There is no divided world with the cold war going on today. We have a harmony building in the world. I would say that Saddam Hussein may very well be the author of a new evolving world. What he has perpetrated on the Persian Gulf he has brought to world attention. Yes, a new order must evolve in the world. East–west relations must continue to evolve in a peaceful and helpful manner. We must help those nations that need help internationally to readjust to the new and free world. At the same time, neither the United Nations nor any nation with a conscience can stand by and see a dictator, like we have in Iraq today, take over other small countries, because where does it go from there? We have seen the whole formula before.

• (1350)

We are a member of the United Nations Security Council. If there was ever a time when Canada could play a major part in world affairs it is today—to negotiate unity within the Security Council to have a firm UN decision to have a UN force in the Persian Gulf. Canada has been known, over the years, as a good negotiator in the international community. Today the challenge is there, and it should be done.

The Korean war broke out in June 1950. Perhaps a little background history here is necessary. After World War II, Korea was taken from Japan because there was always the old geographical problem there that whoever controlled Korea, that is, if China controlled Korea she could attack Japan easier, if Japan had Korea she could attack China easier. So Korea was taken out of the picture for both of them and the southern half, south of the 38th parallel was taken over as a mandate or a protectorate by the United States and north of the 38th parallel was looked after by Russia.

When the UN sent a commission there to try to promote free elections it was refused entry, north of the 38th parallel, but free elections were held in South Korea. In 1949 the U.S. and the U.S.S.R. moved out of North and South Korea at the same time. By June 1950 there was aggression from North Korea into South Korea and the UN moved in within a matter of days to take over that force. At that time China was not a member of the United Nations Security Council and Russia was staying away from the United Nations Securi-

ty Council because it was protesting the fact that China was not a member. In the absence of both China and Russia, the UN passed the decision in a hurry to send a UN force into South Korea.

I want to make a special note here of that event, because I think it is relative in today's events with Iraq. Desmond Crowley who wrote a book entitled *The Background to Current Affairs*, published in 1963, had this to say about the UN force in Korea. He said:

> Thus the step Truman had taken was approved, and the counter-measures against the Communist forces, though conducted primarily by the United States with the assistance of small contingents from the Commonwealth, Turkey and a few other countries, were recognised as a UN action.

That statement, coming from an historian, is an insult to this country because Canada, considering the population of the country at the time, had more soldiers in South Korea on a per capita basis than any other nation of the world, including the United States. That is a fact that we have to remember. There are times when we do these things and people do not realize we are doing them because they are always considering numbers instead of the basic effort that is being made in proportion to the resources and the population of a country. Canada does not have to back up from anybody in that regard.

In an attempt to make Iraq the most powerful country in the Persian Gulf region, Saddam Hussein has over the last decade transformed his country's army into the region's most powerful military machine, waged a long and damaging war with Iran and used banned chemical weapons on his own people.

That tells us why he is in Kuwait today. There are no principles involved in this at all. This man has got to be brought to task and treated under the international law of this world. August 2 saw him finally elicit an outraged response by the whole world when he attacked and took over the tiny oil rich emirate of Kuwait. Nobody agreed with him.

By August 6, the United States reached an agreement with Saudi Arabia to deploy U.S. forces on Saudi territory. That was a relatively easy thing to do because the nations in that part of the Persian Gulf very realistically feared what Iraq was going to do next.

At that time on August 6, the Prime Minister of Canada was summoned to Washington by George Bush where he declared support for a naval blockade to enforce the mandatory economic and trade sanctions imposed against Iraq, although the UN has given no support for such action.

Here is where we failed the United Nations, because the Prime Minister should have been leading the diplomatic effort in the United Nations to make this a total UN force.

Under international law, of course, the imposition of a naval blockade constitutes an act of war. On August 10, NATO foreign ministers agreed to respond on an individual country basis to a request by the U.S. for military contributions to the gulf.

Later that day, the Prime Minister announced the deployment of two destroyers and one supply ship, along with over 900 military personnel. At that time he made it clear that the deployment was in direct response to the United States' request for aid in deterring Iraqi aggression and not a contribution to any United Nations effort to enforce sanctions.

On August 25, the United Nations Security Council passed a resolution authorizing the use of minimal military forces belonging to individual states to ensure the implementation of sanctions.

On September 10, NATO members were again asked by the United States to provide additional military forces to the gulf. On September 14, the Prime Minister of Canada announced that the ships in the Mediterranean would be put on active service as of September 15. Of course, it took them that other day to make it through the Suez.

He also announced new deployments which included a squadron of CF-18 fighter aircraft and 450 associated personnel, 500 land based support for the warships and several transport aircraft to move troops and evacuate refugees.

Finally, on September 15 the Government of Canada passed an Order in Council placing the three war ships and all other Canadian military elements that will operate in the gulf on active service. In doing so, the government successfully avoided recalling Parliament before it was scheduled to resume.

This is why I say we have a dictatorial attitudinal problem over here with the Prime Minister of Canada. The involvement of a country in what could turn out to be armed conflict is not something that should have been done behind the backs of the people of Canada, and

indeed behind the backs of those Canadians sitting right here in this Parliament.

Great Britain's Parliament was recalled. The mother of democracies.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. It being two o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

PARLIAMENT HILL

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, as a member of this House, I feel we have a special responsibility to help maintain Parliament Hill as the dominant feature of this city. The Parliament Buildings and the site as such are not only an important symbol to Canadians, they are also a symbol of Canada throughout the world.

[*English*]

Height controls have been maintained by agreement between the city of Ottawa and the federal government for at least 20 years. All capital cities of consequence maintain such height controls.

Increased building heights in the core of the capital city would adversely affect and compromise the Parliament Buildings as the country's most important symbol.

[*Translation*]

We earnestly hope that when the City of Ottawa reviews its official plan, it will take the necessary steps to protect the status of these buildings and other national symbols, for the benefit of present and future generations.

* * *

[*English*]

DOMINION TEXTILE INC.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, yesterday Dominion Textile announced that it will be closing its plant in Yarmouth, Nova Scotia and moving its operation to Magog, Quebec.

This closure will cost the town some 330 jobs, in addition to the 70 jobs it lost this fall to its U.S. company. This is about one-third of the total textile jobs in all of Nova Scotia.

Textiles has been the largest employer in Yarmouth for over a century. It survived the great depression, but it will not survive this government's monetary and trade policies.

In its letter to me yesterday Dominion Textile stated in its attached press release:

> —the competitive position of both the Magog and Yarmouth plants is negatively affected by low manufacturing volumes. The inevitable decision to consolidate the two operations favoured Magog because a significantly lower capital investment is required to meet the needs of our industrial products business.

I call upon this government to set up an immediate commission to study why the costs are significantly lower for capital investment in Quebec over the Atlantic provinces. Perhaps this would be a job for the Atlantic Canada Opportunities Agency to study why in Atlantic Canada investment costs are are higher and make us non-competitive.

Mr. Speaker: The hon. member's time has expired.

* * *

[*Translation*]

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, this week is National Science and Technology Week, from October 12 to October 21.

More than 600 events, embracing the depths of the ocean as well as outer space, will take place in various communities across Canada. I would like to draw the attention of the House more particularly to the Rosemere amateur aerospace centre in Quebec, where children can visit "outer space" while learning about science and engineering.

During this week, Mr. Speaker, the government will organize official signing ceremonies with announcements about the latest contributions to the centres of excellence. Certificates will be awarded as well, under the Scholarship Program for 1990-1991.

I urge everyone to participate in these events with great enthusiasm, because our future lies in developing science and technology.

S. O. 31

[*English*]

NATIONAL CO-OPERATIVES WEEK

Mr. George S. Rideout (Moncton): Mr. Speaker, as everyone knows this is Co-Operatives Week. What better opportunity for the government in this special week to correct a serious wrong that has been done to the co-operative movement.

The GST leaves retail co-operatives at a decided disadvantage to their competition. All contributions to the share equity of co-operatives will be taxed. This is not so for their competition.

Services provided to local co-operatives by parent co-operatives will be taxed; not so with other similar retail businesses. To give an example, Co-Op Atlantic estimates the effects of the GST will give it a $1.3 million dollar a year competitive deficit. The total impact on this tilted playing field on co-operatives will be astronomical. This is unfair.

The best solution for the government is to withdraw the goods and services tax. At the very least, the government should remove the negative effects of the GST on co-operatives. It is National Co-Operatives Week. The thousands of people who are employed by or depend on Canadian co-operatives are waiting on this government's response.

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PORNOGRAPHY

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, during the course of the last few years, I on behalf of many residents of Brandon—Souris have expressed in Parliament my concerns respecting the widespread sale of pornography which often features the sadistic exploitation of women and children.

I would like, therefore, to take note of a recent court decision in Ontario in which District Court Judge Hugh Locke sentenced what *The Globe and Mail* in Toronto described as a "Porn Seller" to an unprecedented six months in jail as well as levying a $25,000 fine. According to the August 21, 1990 edition of *The Globe and Mail*, the publications in question contained "racial slurs and encouraged 'twisted deviates' to have sex with children and commit incest, rape and violence".

At a time when many contend that the judiciary is often too lenient, many of my constituents will enthusiastically applaud Judge Locke's decision.

* * *

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, another Canadian, Richard Taylor, has won a Nobel Prize for physics, and we should be proud. Yet how can that pride not be tempered with regret and humiliation about the fact that he had to win that prize by working in the United States. Why? Because this country's pitiful support for science made it impossible for him to work here.

While Conservative government platitudes proliferate about the importance of research and development, its words speak far louder than its actions. Science in this country is suffering and thousands of Canadian workers are suffering because industrial jobs that can be saved only by new technologies are taking permanent flight to Mexico and the United States.

Dr. Taylor's prize, then, deserved and laudable though it may be, is just one more reminder of what *The Ottawa Citizen* headline said this morning: "We're behind and falling further behind in the area of science and technology—and nobody seems to care".

Canada, happy National Science and Technology Week.

* * *

PERSONS DAY

Mr. Ken Hughes (Macleod): Mr. Speaker, I would like to pay tribute to the achievements of women from Alberta, and particularly two women who lived in communities within my riding of Macleod.

Today is the 61st anniversary of the Privy Council decision which recognized women as "persons" in the eyes of the law or the Persons case.

Louise McKinney of Claresholm in 1917 became the first woman elected to a legislature in the Commonwealth.

Henrietta Edwards was a resident of Fort Macleod and was also a central figure in organizing the Victorian Order of Nurses.

Together with three other women from Alberta, these leaders established the right of women to serve in the Senate of Canada.

The first woman appointed from Alberta to the other place was Senator Martha Bielish, recently retired, who was appointed by the forward looking Progressive Conservative government in 1979.

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HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the need to train physicians from the aboriginal community resulted in the establishment in 1979 of the special premedical studies program at the University of Manitoba.

Fiscal contribution to this program was 60 per cent from the federal government until it cancelled the agreement last March 31. Federal support has since been nil, contradicting the assurance conveyed by the Minister of National Health and Welfare last August 9 to the people in charge of the program.

The Manitoba government has now given notice it would not renew the contract beyond the end of this academic year and therefore recruitment of new students would be put on hold. This is a pity since the success rate of this program has been high. It is ironic since presently other medical schools are trying to set up similar models.

I therefore urge this government to take action now, keep its word and not proceed to dismantle this program but instead re-establish a long-term federal-provincial agreement in the interest not only of our aboriginal peoples but of all Canadians.

* * *

[*Translation*]

THE SENATE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, in today's press, we read that yesterday the Liberal senators lost the first round in their fight against the GST, when their court challenge to the appointment of the latest senator from New Brunswick by Prime Minister Brian Mulroney was rejected.

According to Mr. Justice Nicholson McRae of the Ontario Court, the Constitution gave the Prime Minister the authority to designate more senators from New Brunswick than the number of members that province has in the House of Commons.

Mr. Speaker, the Liberal senators and the Liberal Party of Canada should tell Canadians today, quite frankly, who is going to pay the court costs. Canadian tax payers, Mr. Speaker?

* * *

[*English*]

TRANSPORTATION

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, this month marks the sixth anniversary of a tragic plane crash in the community of Fort Franklin in the western arctic which claimed seven lives. My constituents held a memorial feast on October 9.

• (1410)

The end of this month also marks the last day that the federal government will provide weather and communications services for air travel through Fort Franklin. For six years the residents of the community have been pleading with three ministers of transportation, including the Deputy Prime Minister, to upgrade aviation services for the sake of safety. And what does this government do? It deletes the service altogether.

In many remote communities in my riding air carriers have refused flights including emergencies and medivacs because of the dangerous conditions resulting from insufficient radio, weather, and runway condition reports provided by Transport Canada.

I am not exaggerating. People's lives are at stake. The review of the Canadian Aviation Safety Board of the 1984 fatal accident determined the plane crash was avoidable, had there been qualified weather reporting and communication services.

Will the minister accept my invitation of October 1—

Mr. Speaker: I regret the hon. member's time has expired.

S. O. 31

[*Translation*]

ENERGY

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, yesterday, the Minister of Energy, Mines and Resources told us that the price of gas would go up by 10 cents a litre. It was also said during this press conference that the Maritime provinces and Quebec did not have a guaranteed supply of oil.

However, under the Canada—Newfoundland Agreement, the Maritimes will have a guaranteed supply as a result of Hibernia, and only Quebec will be left without any guarantees at all.

English Canada refuses to recognize the distinct society, but it always treats Quebec in a way that is very distinct indeed.

Ms. Sheila Copps (Hamilton East): There are Francophones outside Quebec as well!

* * *

[*English*]

THE SENATE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, reformed arrogance is the worst arrogance of all.

Yesterday we heard the unelected leader of the Liberal Party ordering the unelected Liberals in the unelected Senate to subvert the will of the legitimate elected government.

In the crowd of unelected Liberal senators is one virtually indistinguishable elected senator. This Reform senator also dances to the tune of his unelected leader, Preston Manning. This Reform senator collects four government pensions, collects his senator's salary, plus $153 per day for showing up in the upper house.

This Reform senator has not cut his salary by 15 per cent as he was told to do by Mr. Manning. Instead, he collects it all and donates 10 per cent of his salary only to charity, thus avoiding taxes to the Government of Canada.

"Reformed charlatan", I call it. The worst arrogance of all is reformed arrogance. Elected senators have proven to be the most arrogant senators of all.

CANADIAN NATIONAL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, many will recall that during the election of 1988 I released a confidential internal CN document which predicted that CN was planning to get rid of 17,000 of its employees. Just last week we had an announcement of a lay-off of 1,500, an announcement which follows upon many other similar announcements, and CN is well on its way to doing what unfortunately I had the opportunity to reveal it was planning to do as far back as 1988.

I think what we need to recognize here is that these are lay-offs driven by policies of this government. Deregulation in transportation, which is the equivalent of free trade in transportation, has led to a wrong emphasis on trucking, on highways, and on further consumption of fossil fuels instead of having a structure, a tax system and other things which favour the use of railways, the most environmentally sound way of moving goods and people, but precisely the opposite of this is what the government is doing while it claims to be a friend of the environment.

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PERSONS DAY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, today we celebrate Persons Day and remember the courageous women who made it possible.

Sixty-nine years ago Agnes MacPhail became the first woman to sit in the Canadian Parliament. Eight years later, on October 18, 1929, women were finally recognized legally as persons.

Even Canada Post has recognized the contribution made by Agnes MacPhail and recently released a stamp in her honour.

Unfortunately on this Persons Day we are reminded that the federal government does not recognize the full equality of women, having cut back on women's programs and brought in the proposed abortion bill, a challenge to the very personhood and right to choices which we won 61 years ago.

I ask the government on Persons Day to make the commitment to real equality for women in this country.

REFORM PARTY OF CANADA

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, the head of the Reform Party in B.C. says that he would like to run candidates in the next provincial election. The leader of the Reform Party of Canada says he cannot do that. The head of the Reform Party in B.C. asks why should a man across the mountains in Alberta tell the B.C. people how they should run things?

As a matter of fact, why should an executive tell the people in B.C., or 500 delegates in a convention tell the people of B.C. what to do?

There is a solution. All they have to do is hold a referendum within the rank and file of the party. After all, this is the solution that they want to have for all the people of Canada. If it is good enough for the people of Canada, why not good enough for the party? There is a problem. It might cause Preston Manning to lose his iron grip on the party or it might force the party to practise what it preaches, and that would be a little tough on it.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Yesterday in a speech in Ottawa, the minister finally came very close to using the dreaded R-word. He said: "We may well have had a second negative quarter". Everybody else calls that a recession.

Just a few minutes ago, the Bank of Canada announced that it was raising its bank rate. Today in committee, the Governor of the Bank of Canada said that he—and this means the government—would persist with its interest rate policies, but gave no recognition to the damage these policies are doing by way of loss of jobs and plant closings.

Why will the Minister of Finance not admit that it is these policies, his policies, that caused our present recession, the first made-in-Canada recession? Why will he not admit what everybody else is saying, that we are in a recession and reverse these policies before they cause even more damage to Canadian workers and Canadian communities?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians might take the Leader of the Opposition more seriously if he would acknowledge that the delay by the Senate of major pieces of financial legislation is damaging for this country.

Mr. Milliken: That's false.

Mr. Wilson (Etobicoke Centre): The hon. member says it is false. He should read what the Economic Council has said, what other organizations have said, that if we cannot get our fiscal deficit down or, let me be more precise, it says that it is important to get our fiscal deficit down so that we can have lower interest rates.

The hon. member wants to see lower interest rates. Why is it that he and his caucus colleagues, the hon. member for LaSalle—Émard and others are saying to the senators "keep up the good work. Stop this finance legislation. Don't allow the government to have the bills passed that will help it get its deficit down". These are the precise bills the organizations said last week must be passed so the government can get on with lowering its deficit and that will take the pressure off interest rates. If the Leader of the Opposition would be true to his conscience, he would agree with me.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Finance is desperately but not successfully trying to blame everyone but himself and his government for the mess we are in right now.

In his speech yesterday he was trying to blame the current economic mess first on the Persian Gulf crisis, and even on Canadian workers who are the victims of his policies.

I say to the minister that months before the Persian Gulf crisis in August, starting in January of this year, we began losing industrial manufacturing jobs. We lost over 160,000 according to Statistics Canada since the beginning of this year. Instead of blaming everyone but himself, the minister should look at himself in the mirror and recognize the culprit. He ought to be ashamed of himself.

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not blaming anyone. I am looking for solutions. One of those solutions to help get the deficit down, and which many organizations say will help us get interest rates down, is for the Leader of the Opposition and Jean Chrétien, his boss, to pick up the phone and call Allan MacEachen because Allan MacEachen clearly is not calling him.

Mr. Milliken: Rubbish.

Mr. Wilson (Etobicoke Centre): Rubbish, the hon. member says.

I understand that the Leader of the Opposition in the other place is saying that he is going to go ahead and do these things and he is not going to care about what the member for LaSalle–Émard says, or for what the member for Ottawa—Vanier says or what the member for York—South Weston says.

Mr. Speaker, I am looking for solutions. One of the solutions to dealing with the problem is to get this legislation through because if we cannot get it through, it is going to make it far more difficult to get interest rates down than under the current situation.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in blaming the minister and his government for our economic situation, the Economic Council of Canada did not mention the Senate. In saying that we have the first made–in–Canada recession, in other words, made by the policies of this government, the Conference Board of Canada did not blame the Senate. Scotia–Mac–Leod, the investment bankers, did not blame the Senate when they said, "if we continue on our present high interest rate, high–dollar trend, Canada will lose a great deal of output in labour intensive areas to countries like Mexico or even the United States."

[*Translation*]

I therefore want to ask the minister why he will not admit that he and his government created our present economic wasteland and that he and his government are responsible.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it very clear on many occasions why we are in the position that we are with the high interest rates that we have today.

The precise reason is that through 1988 and 1989, as a result of the very strong growth we had in this country, we reached the edge of our capacity to produce. That led to inflationary pressures. We could have ignored those inflationary pressures, as was done earlier in the 1970s and 1980s, but we chose not to do so because we knew if we had ignored those problems, we would have far more serious problems on our hands six months or a year or two down the road.

We faced up to those problems. We brought in a higher interest rate policy precisely to fight the inflationary pressures. We are getting those inflationary pressures under control and as they get further under control, we will be able to see a further reduction in interest rates over and above the 150 basis points that we have seen so far in the last three months.

This is the policy we have been following. It is a policy that is supported by the Economic council. It is a policy that is supported by other people in the business community. What they would like to see is further action taken on the deficit to take the pressure off interest rates. As I have said time and time again, the members opposite have never provided any support whatsoever to allow—

An hon. member: Nonsense.

Mr. Wilson (Etobicoke Centre): Nonsense he says. There has never been any support whatsoever to help us get the deficit down and help us deal with the problems of the high interest rate policy.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of the Environment on the Rafferty–Alameda project.

The one deal the minister will admit to making with Premier Devine says specifically that Saskatchewan will not acquire land for the Alameda dam. On Friday, the minister told the House and I quote: "The Saskatchewan cannot proceed with Alameda because they do not have the land, they have not even started the expropriation process". In fact, negotiations to acquire the land have been under way and were in progress as late as 7 p.m. yesterday.

Why did the minister tell the House they have not even started the expropriation process?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would like to repeat something I mentioned on a number of occasions before this House.

I am under a court order to have a panel at work. I will comply with that order. I will meet my obligation to appoint a panel as soon as possible to resume the environmental assessment work that was stopped last week.

At the same time, I said that the government would take the necessary steps to ensure that the Alameda project not proceed until a full and proper environmental assessment can be completed.

I would like to tell the House this afternoon that I am instructing officials to seek an injunction on continued construction and land acquisition related to the Rafferty–Alameda project.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in response to questions yesterday, the minister consistently referred to a full environmental review process only for the Alameda dam part of the Rafferty–Alameda project.

The predecessor to the minister knew in April from the panel reviewing the project that construction was proceeding on the project. He was told that it was the understanding of the panel members when appointed that none of this work would occur. He was there in July when he knew the work was proceeding.

Yesterday why was the minister only referring to the Alameda project. Has the minister given up on the Rafferty dam? Has he given up on the channelization? Will he tell us specifically what he is doing about the entire project and the construction of that project?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I think my answer to the first question was very clear, indeed.

I will read it again. I am instructing officials to seek an injunction on continued construction and land acquisition related to the Rafferty–Alameda project.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of the Environment.

There has been considerable confusion over the Rafferty–Alameda project. The minister says today that he is seeking an injunction.

I would be interested to know what the deal was, because we have heard several different versions. Premier Devine said that a deal was cut. I hope that this Minister of the Environment is not going to be the kind of Minister of the Environment who cuts deals behind closed doors.

I want to ask the Minister of the Environment this. On what grounds is the injunction pursued? Did he cut a deal with Premier Devine? What are the grounds for the injunction?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I said very clearly yesterday that we were looking at a number of options to deal with this issue.

We were looking at going to the courts to have a clarification for an injunction. We were looking at the possibility of applying some sections of the Fisheries Act, a statutory form of action in this case. We were looking towards an agreement that, unfortunately, does not seem to be possible at this time to stop construction on Rafferty–Alameda.

What I am saying today is that following those discussions, we have opted to seek an injunction from the courts to stop construction on Rafferty–Alameda.

Ms. Audrey McLaughlin (Yukon): I have a supplementary question for the minister, Mr. Speaker.

The minister has known for some time that there were many problems with the Rafferty–Alameda dam. I have a letter here from the hon. Minister of Transport saying that a licence had not been granted under the Navigable Waters Protection Act for this project.

This means that back in August the licences had not been received. At that time, the Minister of Transport said: "Given the fact that this project has been recommended for a public panel review under EARP, no action will be taken on the Navigable Waters Protection Act application until the panel has rendered its decision."

There is no panel. There is no decision. I say to the Minister of the Environment that he knew in August that all of the proper licences had not been received. Why did he not take action then?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I met with the various groups that are concerned on this issue.

I met with the governments. I met with the proponents of the project. I met with the opponents of the project, and we went through all that back in late July and early August.

We have four documents before us. We have a licence. We have a court order. We have an agreement, and we have the terms of reference for the panel.

I can tell my hon. colleague that the conditions under the licence were fulfilled. I believe that up until last Friday the conditions under the court order were fulfilled, and we are now going to seek legal redress under the terms of the agreement pursuant to what has been said or done over the last five days.

• (1430)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of the Environment.

[*Translation*]

Yesterday, the Quebec Minister of the Environment stated that the lack of public hearings on the Rafferty–Alameda dam might create a dangerous precedent. He urged the federal government to take a firm stand. Today, we get the same message from the report *Greenprint for Canada*. The government is accused of dangerous negligence with respect to the environment. My question for the minister is this: How will he respond to the Quebec minister and to all those who tell him the environment comes first?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, my answer is quite simple. There will be public hearings, as planned, on the Rafferty–Alameda project, and there will be public hearings, as planned, on other projects we shall be dealing with in the months and years to come. Let there be no mistake! And that is exactly what I said in my answer to the first question I was asked today.

Mr. Paul Martin (LaSalle—Émard): That is not the point, Mr. Speaker. The Quebec Minister of the Environment said, and I quote: "That the federal government's record with respect to the Rafferty–Alameda project creates a dangerous precedent that threatens public hearings on the James Bay project." My question is this: Does the minister, as far as James Bay is concerned, intend to impose a full set of environmental impact studies for both the dam and the infrastructures?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I have had two conversations with my Quebec counterpart within the last few days. In fact, it was this week. We are now in the last stages of setting up a commission to review the environmental impact of the James Bay project. We are having a detailed discussion of the terms of reference, which will cover the infrastructures as well as the project itself. There will be public hearings there as there are elsewhere. In fact, the process has been discussed for several months by both levels of government. That was the gist of the understanding I reached with Mr. Paradis this week.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we are not talking about discussions. Will there be public hearings before the work starts? The minister should stop beating around the bush. What is at stake here, Mr. Speaker, is not just Rafferty or James Bay, it is the whole integrity of Bill C–78.

The Quebec Environment Minister has already shown a lot of backbone. The point is this: does the federal minister intend to act likewise? Will he amend Bill C–78 to guarantee compulsory studies before any work whatsoever is started?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, when we are talking about public hearings for James Bay, the answer is, obviously, yes. When we are talking about legislation and regulations, I would appreciate it if the hon. member for LaSalle—Émard would help smooth the way for discussions on Bill C–78 so that we can finally get the bill to committee where we can have a thorough discussion. Of course we want reviews and public hearings before the project starts, and so I would appreciate the hon. member's co–operation in getting Bill C–78 to committee.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is also directed to the Minister of the Environment. As he knows, the Rafferty–Alameda Dam projects are governed in part by an international agreement. In that international agreement, the Americans agreed to pay for part of those dams.

Has the minister asked the Americans to stop payments, given his own inability to stop the project?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I replied to an earlier question today by saying that I am instructing my officials to seek an injunction on continued construction and land acquisition related to the Rafferty–Alameda project.

I think that is quite a direct and definite statement. We are not in a position right now to go any further than this, quite obviously. We are appointing a panel to look at all the environmental consequences and we are stopping construction and land acquisition.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, we watched this minister stumble for the last week looking for some ways of stopping this project. He gives us this weak injunction. We give him a second option in the international agreement. Obviously he does not even know about the international agreement.

Again, he can ask the Americans to stop payments. Under the same agreement, we agreed to give progress reports on water quality. How can the minister guarantee water quality when he does not have an environmental review process?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I have committed to two things, and very clearly, in the House today. I have committed to have a full review process, a full environmental assessment process, and I have committed to have an injunction sought on further land acquisition or construction on the Rafferty–Alameda project.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the government has made a mockery of the environmental assessment review process from Rafferty–Alameda to James Bay, and now to Alcan.

In British Columbia the government abandoned the process all together by exempting the Alcan project from a review. In 1984 the Prime Minister, when he was the Leader of the Opposition campaigning for votes, promised a full environmental review of the project.

Will the Minister of the Environment follow through on the Prime Minister's promise and order a full and complete environmental assessment of that project?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, it is strange that the hon. member would raise a question about the Kemano project. We had an independent panel of 10 very distinguished Canadians, chaired by the President of UBC. That panel went through an exhaustive review of the project and, in conjunction with the Department of Fisheries and Oceans, held public consultations. The panel recommended a long list of measures that were incorporated into a signed agreement between the Government of British Columbia, the Government of Canada, and the company. We went through a process that I doubt could be attacked on any grounds for lack of efficiency and objectivity.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, officials in the Department of Fisheries and Oceans—three or four biologists now—reject the minister's point of view. They are suggesting in fact that the government put political pressure on scientists to justify the decision of the government—

Some hon. members: Oh, oh.

An hon. member: That's quite an accusation.

Mr. Speaker: I wonder if the hon. member could put his question.

Mr. Gardiner: That accusation is being made by biologists in the department.

Will the Minister of the Environment conduct an immediate investigation into these allegations by these Fisheries and Oceans officials that the government has completely sabotaged the environment assessment review process? Why doesn't he put an injunction on this project, too?

Some hon. members: Hear, hear.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I can only invite my hon. colleague, if he has got any evidence of any political influence in the environmental process, to send it to my office.

I can tell you, Mr. Speaker, there has never been, to my knowledge, any political pressure put on the environmental assessment process.

Some hon. members: Hear, hear.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I listened with interest to the reply given by the Minister of Finance who mentioned the importance of the GST in reducing the federal deficit. I would like to direct the following question to the Minister of Finance, namely, whether today, the Minister is prepared to acknowledge that the GST is going to be an endless source of revenue for the government, which is why he wants the passage of this bill.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will say that the GST will make us more competitive as a nation. It improve the capacity of our economy to create jobs. That will generate revenues. That will help us deal with the deficit more effectively.

But the import of my response earlier to his colleague was that it is not just the GST that is being held up in the House. It is the unemployment insurance reform, it is the large corporations tax, and it is the expenditure reduction bill, Bill C-69—all of which are designed to get the deficit down.

I say to my hon. friend, he would have more credibility if he would pick up the phone, call the people in the Senate and say: "Look, we in the Liberal Party are concerned about the deficit because, if we can get the deficit under control better, then we can have lower interest rates and we want to get interest rates under control."

I can see by the way my colleague opposite in the Liberal Party is nodding his head is that he agrees with that approach. I would encourage him to get up, go down the hall, speak to Mr. MacEachen, and provide some leadership from the other side to get this legislation moving, allow us to get on with the job of getting the deficit down, and allow us to get on with the job of getting interest rates down.

Some hon. members: Hear, hear.

• (1440)

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, if the minister keeps this up, there is certainly no guarantee he is going to get to heaven.

If the Minister of Finance is interested in what is happening and who is picking up phones, he might be interested in speaking with the Prime Minister when he returns from New Brunswick. The Prime Minister will tell him what he is hearing on the phones in New Brunswick today.

Some hon. members: Hear, hear.

Mr. Young (Acadie—Bathurst): Mr. Speaker, today the Governor of the Bank of Canada said he was going to continue with his monetary policy and today interest rates are up, even though it is marginally. Did the Minister of Finance, in his meeting with the Governor of the Bank of Canada today, approve the increase in interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is kind of a silly question. The hon. members knows that I cannot disclose what has been discussed by myself with the Governor of the Bank of Canada. Those are confidential meetings and he understands that.

We have to realize today that there has been a significant drop in the value of the Canadian dollar over the past three or four days and one of the automatic, normal market reactions is to see some increase in interest rates. That is what we saw in the Treasury Bill tendered today.

I say to my friend, he is expressing a good deal of concern for the economic policy and the economic direction of the country. If he is sincerely concerned about this, where are the alternative policies? Where are the alternatives to how best we should handle these economic issues? We are dealing with these issues as a responsible government. I am not hearing anything from the opposition parties as to what their alternatives are and how they are going to deal with this. If you do not have alternatives, stay in the bleachers. You don't have any role down here on the playing-field.

Some hon. members: Hear, hear.

MANUFACTURING SECTOR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Minister of Finance. Yesterday, the workers at Dominion Textile joined the long line of Canadian workers who are being bled to death by the policies of the Minister of Finance and the government.

Is the Minister aware of the fact that in the first nine months of this year, the number of unemployed workers in the manufacturing sector has increased by 17.65 per cent? Is he prepared to justify to those workers that they have to die to go to heaven?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not enjoy seeing people lose their jobs. I do not enjoy seeing the Dominion Textile plant in Yarmouth being closed. But we have to understand that the reason why that plant is being closed is that it is over 100 years old and it is moving to more modern facilities. That is, unfortunately, the process that an economy goes through as we see technology take hold in different places. But we do not take any pleasure in that at all.

What my hon. friend ignores, when she talks about what has happened in the last few months, is the fact that we have had 1,600,000 jobs created in the last six years. These jobs are created because of the policies that we have been following as a government. But, as I have said on many occasions, we have been pushing at the extent of the capacity of our country to produce those jobs and that has resulted in the high interest rates that we have today. As we get through this period, we will be able to get back onto a path of non-inflationary growth again and that will allow us to create good solid jobs in the future.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a supplementary for the Acting Minister of Industry, Science and Technology. Considering the 44 per cent increase in unemployment in the manufacturing industry since the beginning of this year, I would like to ask him why his department has no programs in place to help workers who are now being zapped by this government's economic policies?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the Department of Industry, Science and Technology has, indeed, been looking very carefully at this situation and we are aware that a rationalization process is going on in almost every sector of the Canadian economy. What we would ask the hon. member, in turn, to do would be to tell her colleagues in the other place to move Bill C-21 through so we can have more training money and make it easier on the people.

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THE ECONOMY

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the litany continues. Today it is Yarmouth, Nova Scotia, that has lost 300 textile jobs. In southwestern Ontario, plant closures are a daily occurrence. Throughout Canada thousands of transportation jobs are being lost, all because of the deliberate policies of this government; the free trade agreement, high interest, the high dollar, a recession, and, in the wings, the GST.

The Minister of Transport says that he is not, and this government is not, in the business of creating jobs but opportunities. Where? Where? In the United States and Mexico?

My question to the Deputy Prime Minister is this: When is this government going to stop creating misery in this country, stop this economic haemorrhage that is so cruelly punishing to so many Canadians?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the hon. member is very familiar with the automotive situation. While there have indeed been some plant closures because of rationalization, what the hon. member does not tell you is that Ford of Canada, for example, is putting in a $64 million aluminum casting plant in Windsor.

Chrysler is investing $250 million to upgrade its minivan plant, NKK-Dofasco is investing $250 million in a new plant galvanizing operation which will be in Windsor. I can go on. Joh Rubber has recently opened a new plant in Leamington.

Mr. Speaker, all they want to talk about are those that close. They do not want to talk about the things that open.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is for the Minister of Finance. The minister yesterday for the first time talked about the probability of a recession in this country. Today we have seen the Bank of Canada raise its interest rate instead of continuing to decrease it. I want to ask this minister why he has been prepared to permit this final guarantee of recession to be taken on the part of the Bank of Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have been talking about a potential weakness in the economy going back to my budget of February of this year. I do not know where my hon. friend has been. He refers to the question of interest rates today. There is a seven basis point, seven one-hundredths of one per cent, increase in the bank rate today, but there has been a 150 basis point drop since the end of May of this year.

I would also remind my friend that this is against the backdrop of over a one-cent drop in the Canadian dollar and it is a natural response of the marketplace to see some upward movement in interest rates as we have seen that significant drop in the level of the Canadian dollar.

As I have said on many occasions, as we see further continuation of the easing of inflationary pressures, if there is further weakness in the economy, we will be able to get interest rates down further.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. For several months now mining exploration has been practically moribond in Quebec, particularly in the Abitibi-Témiscamingue region. Can the minister tell us today whether he has new measures to help the mining sector in Quebec and in the rest of Canada?

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, as my colleague from Abitibi realizes, the mines ministers' conference in August discussed exploration across this country.

• (1450)

This year in Canada, between $750 million and $850 million worth of exploration is going on across this country.

There are regions in the country where there is not the amount of exploration going on that has gone on in other years. Our department will continue to work with the industry to see what can be looked at.

I should say, Mr. Speaker, more than incentive programs are required with the price of metal today. The stock market and investment for Canadians in Canada Savings Bonds seems to be areas in which investment is being looked at.

* * *

[*Translation*]

THE CONSTITUTION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Minister of Justice I direct my question to the Deputy Prime Minister. I want to ask him what is the constitutional policy of his government with respect to the Quebec-Canada axis, considering that last June the Prime Minister told Canadians that the government would never take unilateral action in the constitutional field. A few days later the Premier of Quebec said that never again would there be multilateral constitutional negotiations, and finally in August the Prime Minister also rejected any bilateral action. For all practical purposes, the Quebec-Canada axis is in a state of limbo and all bridges have been cut. My question to the Deputy Prime Minister is this: Is the status quo the constitutional policy of his government or, better still, is the Prime Minister increasingly prepared to acknowledge Quebec's de facto sovereignty?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, there have been ongoing federal-provincial meetings in various sectors, be it agriculture or energy. It is entirely up to the government of the Province of Quebec as to whether it wishes to participate.

Speaking from an agricultural point of view, we continue to have ongoing discussions. At our recent meeting of federal-provincial ministers held in Moncton, the minister of agriculture for the Province of Quebec did attend and did participate.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary for the same minister. Regarding the government's future proposals on constitutional matters, I would like to ask the Prime Minister, considering that this week the Minister of Industry, Science and Technology decided to put aside his usual restraint and suggest ways in which there could be a *rapprochement* with English Canada, that the Minister of State (Federal-provincial Relations) says that nothing will happen it's business as usual—and that the Prime Minister has promised constitutional change, my question for the Deputy Prime Minister is this: will it be real constitutional change or just a rabbit out of hat, in other words, a Charest Report Phase II, concocted with Jean Chrétien?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think I can advise the hon. member that this is something that is under active consideration and there will indeed be a constitutional national unity initiative outlined by the federal government in due course.

* * *

[*Translation*]

ENERGY

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and Minister of State (Agriculture). Yesterday, the Minister of Energy, Mines and Resources stated that the price of gas in Canada might go up another 10 cents a litre. Will the minister immediately take steps to establish a task force that will investigate whether Canadian consumers are being gouged by excessively high prices?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the hon. member may be aware of what happened yesterday and of what my colleague, the Minister of Energy, Mines and Resources said, at a meeting with the provincial ministers, and it is quite clear— if the hon. member would care to listen, it is quite clear that..

Mr. Young (Acadie—Bathurst): We're listening.

Mr. Blais: I apologize.

Some hon. members: Oh, oh!

Some hon. members: Go for it!

Mr. Blais: Mr. Speaker, my colleague met the provincial ministers and explained the situation. All the governments know their respective responsibilities. The provinces have the power to intervene. It is up to the federal government to keep a close watch on the situation and ensure there are no shortages in this country and that Canadian consumers will be able to buy gas when they need it.

Second, I have a duty to ensure there is no collusion between the parties involved to cause excessively high price increases beyond the free market price. That is what we are watching, Mr. Speaker. As the Minister of Consumer and Corporate Affairs, I also have a duty to keep track of this, and I am not very happy about these high prices. However, I am aware of the situation. The minister met his counterparts, and we will continue to watch the situation very closely.

[*English*]

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, a supplementary to the same minister. The Minister of Energy, Mines and Resources also stated that a gas rationing plan is being looked at. The Consumers Association of Canada view this as a red herring. What we are really witnessing is a classic case of price gouging. Canadians want protection now. They do not want to be told two years down the road that they were taken at the pumps. What is the minister going to do to protect consumers from price gouging today?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs) and Minister of State (Agriculture): Mr. Speaker, I am a little surprised to hear this. If the hon. member has any indication that the legislation has been broken, he has a responsibility to go to the Competition Bureau and advise the director. I am a little surprised at the member. If we had followed his party's position some years ago when it was in office, the cost would be over $100 a barrel in Canada. He should be ashamed about what his party did in those days.

Oral Questions

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. At the Changing Atmosphere conference in Toronto a couple of years ago, 300 leading scientists urged that global carbon dioxide pollution be reduced by at least 20 per cent by the year 2005.

Yesterday, the environment committee recommended the same. The Second World Climate Conference in Geneva is only weeks away, but according to the minister, the government does not have a position on carbon dioxide reductions; no targets, no schedules and no percentages.

Will the minister today tell Canadians and the nations participating in Geneva what the government's position is on carbon dioxide pollution?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the report of the committee on the environment was tabled after Question Period yesterday. I received a copy of it. I can tell the hon. member that I am looking at that report very closely, as is my colleague, the minister of energy. Our position is the same as we have maintained since Bergen. We will look at that report, hopefully we will have ideas and hopefully there will be some solutions indicated.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the public is very anxious to know the position of the Government of Canada and to be assured that the government is not only giving good speeches, but also acting on the environment.

In view of the fact that three governments, two of which are industrial nations, Germany and Denmark, have already announced a commitment to reduce pollution of CO_2 by 20 per cent by the year 2005, will the Government of Canada follow that leadership?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we have made the commitments in international fora before on CO_2. This government is very concerned about CO_2 emissions. But before making commitments that just may be a wish or a motherhood statement, we want to tell Canadians exactly what the implications are all about.

ENERGY

Mr. Ross Harvey (Edmonton East): Mr. Speaker, my question is directed to the Deputy Prime Minister. There has been a lot of loose talk lately about gasoline rationing. However, much more likely is a program to encourage significant but voluntary conservation measures. For the sake of the environment, we in the NDP applaud and support such conservation measures and encourage further efforts in this regard.

I ask the Deputy Prime Minister if the government will invoke Article 904 of the free trade agreement to cause exports of Canadian oil and gas going to the U.S. to be reduced by the same percentage as the drop in Canadian consumption achieved by these voluntary conservation measures?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I find that quite interesting from a colleague from western Canada who should be a supporter of the industry and the manner in which it performs.

It is nothing new for the NDP to be fighting the free trade battle. You've lost. What we are going to move forward with is monitoring and working with our provincial counterparts to ensure that a stable energy source for Canada will continue. This is the commitment given by the minister and by his provincial counterparts.

• (1500)

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I hope the government understands what it is dealing with here.

If we do not reduce the percentage of Canadian production going to the United States to a degree equivalent to that by which we reduce our own consumption, the free trade ratchet works to ensure that it must be allowed that greater supply in future.

Is the government really intending to induce a cutback in Canadian consumption of Canadian oil and gas while allowing American consumption of Canadian oil and gas to continue unabated?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the answer is no.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this being Thursday I would like to ask the government House leader what is the legislative program for the coming week and possibly for the next week also.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, today we will be continuing with a motion respecting the Iraq invasion of Kuwait.

Tomorrow, which is Friday, we will be proceeding hopefully to completion of second reading on Bill C-74, the act respecting the Fisheries Act, and hopefully to completion of third reading on Bill C-37, the Canadian Heritage Language Institute bill.

If we get lucky and co-operative, we may even deal with Bill C-73, the bill respecting the dissolution of certain Crown corporations.

On Monday it is my intention to call for continuation of second reading of Bill C-78, the environmental assessment legislation.

On Tuesday I would hope to call—there are the usual caveats in terms of changes of plans—Bill C-84, the Petro-Canada bill.

Mr. Speaker: There are several members who wish to rise on points of order. Of course I will eventually deal with them. However, I have a question of privilege which must take priority.

* * *

PRIVILEGE

DISTURBANCE IN GALLERY

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, today I rise on a question of privilege specifically to argue that certain members of the New Democratic Party participated in an action which demonstrated a clear contempt against yourself personally and this House generally.

In my argument I will make a serious charge against a member of this House and will support this charge with a

motion as required by the Standing Orders of the House of Commons. I wish to remind members of the process that will follow my charges.

First, Mr. Speaker, you must determine whether or not there is sufficient evidence to warrant a committee of the House hearing the case and deciding whether there is guilt or not. Members should know, Mr. Speaker, you do not decide if there is a contempt but rather if it is possible that there could be a contempt. If you decide there is sufficient evidence, you rule that a *prima facie* case exists.

Following that ruling the House must decide on the question. It does this by dividing on the motion I will put before the House. If the House votes in favour of my motion, the matter is then referred to the appropriate committee which hears the evidence and decides whether or not a contempt was committed and what action should be taken by this House.

Today, Mr. Speaker, I will make the charge. I will ask you to rule that my evidence is *prima facie* and then to put my motion before this House.

My charge is this: that yesterday's demonstration in this House by a number of students was accomplished with the prior knowledge of the member for Windsor—St. Clair. I further charge that he did nothing to stop that demonstration and that he was in fact an accessory to this contempt against our Parliament.

My evidence is as follows. Prior to Question Period yesterday, the Sergeant-at-Arms of this House advised the government Whip of evidence a demonstration would take place. I assume the other Whips of the other parties in this House had similar prior knowledge. The question is: Why, then, did not the New Democratic Party attempt to stop the demonstration?

Second, Mr. Mark Molgat, Vice-President, External Affairs of the University of Ottawa Students Federation and one of the demonstrators ejected from this House yesterday, in the presence of witnesses said that the hon. member for Windsor—St. Clair did know of the planned demonstration while it was still in its planning stages.

This I believe is *prima facie* evidence that the hon. member did know of the demonstration, did nothing to stop it and, by not stopping it, encouraged it; a contempt against this House.

Third, several of the passes used by the students to enter the gallery were signed by the hon. member for Windsor—St. Clair.

Yesterday after Question Period two NDP members, while outside the House of Commons, laughed about the demonstration and said within earshot of a member of our staff that the Canadian Federation of Students had asked the NDP to raise the question in this House. I believe that is further *prima facie* evidence of their participation in this contempt.

My final piece of evidence is a poster that was hung at the University of Ottawa for several days prior to the demonstration taking place in this House. The poster reads as follows:

> October 17
>
> 1. Petition on 3 per cent tax on loans at SFUO.

That stands for the Student Federation of the University of Ottawa. It continues:

> 2. NDP critic asked questions on 3 per cent tax issue. Leave for Question Period from SFUO at 2.15.

Of course at the bottom of the poster, which I will give to the Table, is a big print saying: "Revolution".

The evidence, I believe, is more than sufficient for you to rule that a *prima facie* case does exist and that you, Mr. Speaker, should allow the House to divide on the following motion:

> That the entire matter of the demonstration held in the public gallery on Wednesday, October 17, 1990, during Question Period, and the prima facie evidence that the hon. member for Windsor—St. Clair had prior knowledge of this demonstration be referred to the Standing Committee on Privileges and Elections.

In conclusion, I wish to refer to yesterday's *Hansard* at page 14280 where the Leader of the New Democratic Party said the following:

> —I should not have to say that as members of Parliament we do not condone that kind of demonstration. We have never condoned that kind of demonstration, and we should not have to say we dissociate ourselves. It should be assumed that members of Parliament do not appreciate that kind of behaviour from the gallery.

I agree with the words of the hon. member. It is most unfortunate that her words were not acted upon by members of her own party.

The evidence before you today is I suggest, Mr. Speaker, too compelling to suggest that yesterday's demonstration and the involvement of the hon. member for Windsor—St. Clair in it to be anything like a pure coincidence. I believe we do have a prima facie case of contempt against this House.

Some hon. members: Hear, hear.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I should have thought that the events that occurred here yesterday, both in the gallery and across the aisle, constituted a sufficient embarrassment to this House without having to hear what I just heard.

I do not think there is anybody in this House who would accuse Howard McCurdy of having been extremely, meanly partisan—

Some hon. members: Oh, oh.

Mr. McCurdy: —and behaving in a way that is inconsistent with the obligation of members of this House to represent it both in action and in demeanour in an appropriate way.

• (1510)

Let me say that the ridiculousness of this charge is to be demonstrated, at least in part, in terms of my particular status. Anybody looking at me knows that if I had half a brain I am not expected to adhere just to those standards that are observed by the rest of the members, but my behaviour better be bloody well superior.

I tried to pay attention to what was said. First, the member indicated that the Sergeant-at-Arms informed the government House leader that there was going to be some kind of demonstration yesterday. I am aware of one single fact. Our House leader was not informed. Nor was any other member of this caucus informed. No member, including this member, was informed or was aware of it. It is alleged that there was an announcement at the University of Ottawa that this member was going to pose a question on student matters yesterday.

As it happens, I was not in Ottawa until roughly 10.30 yesterday. At this stage there was no question asked for in our caucus and no question approved, to be posed in respect to student issues. It was not until approximately 12.45 that the issue of a question posed in respect to students was even entertained. That would be long after, I presume, the announcements were posted at the University of Ottawa.

It is true that when I was previously a critic for youth and post-secondary education the students could depend upon me to pose questions at times when it was pertinent to do so. It was certainly pertinent to do so on National Student Day. That the caucus agreed that I

should pose a question was in recognition of that fact. It was not because I had deliberately solicited that question beforehand.

It is indeed my understanding that the students were given to understand that Howard McCurdy, who could be depended upon to ask a question, would do so and they could have broadcast this totally without my knowledge. That I assert clearly.

There are any number of rumours that have been circulating around this place. I think in regard to these charges it should be noted, in keeping with what I said about the Sergeant-at-Arms informing or not informing the various caucuses, that it was only on that side of the House that there was a ready inclination to jump up and take note of the events up there and to accuse me of having been involved, when I did not even know what was going on. Clearly, in my being accused, Mr. Speaker, if ever there was an example of guilt by association this is a clear example of it. If we are going to talk about guilt by association and guilt by rumour, we have the fact, evidently admitted by the hon. member, that the Sergeant-at-Arms knew that there was going to be a demonstration and did not inform us.

I am told that there are a good many others around this place who knew about it besides the students and the government benches. I am given to understand, by rumour, that the Table understood it. There is another rumour that the Speaker's office knew about it. It appears by rumour that the only person who did not know about it was Howard McCurdy and the New Democratic caucus.

Some hon. members: And the Bloc Québécois.

[*Translation*]

Mr. McCurdy: The Bloc Québécois didn't know either.

[*English*]

The hon. member says that several of those who are involved in the demonstration had passes to the gallery. I do not know whether any of those involved in the demonstration had passes or not. I tell you quite frankly, as has been my habit, there were passes distributed among students who asked for them. After all, there were a great many of them here for a CFS press conference that I was supposed to have attended and did not. But because they have faith in me I guess in terms of my interest in them, they came to my office and asked for passes.

Mr. Speaker, to have the hon. member seriously suggest that because certain individuals had passes signed by me in their possession that I was therefore implicated in the demonstration is an outrageous accusation that demeans the intelligence of the member who made that accusation.

Further we have it that the students had a poster that said they were going to protest the 3 per cent tax. By God, if you are going to have contempt hearings against members of Parliament for what their constituents say on posters, you are going to have to indict every member in this House for contempt. That is an absolutely outrageous extrapolation.

I have no apology to make and I am prepared any old time to defend myself against any charges of contempt and to demonstrate that the member who should be held in contempt is the member with the contemptible accusations—

Mr. Speaker: The hon. member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to participate in this debate very briefly since I would guess most of the students that were here yesterday were from my riding. The University of Ottawa is in the riding of Ottawa—Vanier and I would like to make some comments.

Certainly I have to agree that there is a dispute as to whether all the facts are before the House. Whether or not there is a *prima facie* case, Mr. Speaker, is up to you to decide. When that motion is put, we will decide following your advice. I do believe that we have a serious dispute here as to fact. The member for Peace River made a serious accusation which I do not think we can slough off easily. Therefore, Mr. Speaker, we will await your decision on that.

I would just like to tell the House that I have a letter, signed by Jane Arnold, chairperson of the Canadian Federation of Students. I will not read the whole letter, but I will read one paragraph which I think is pertinent to our debate: "As chairperson of the Canadian Federation of Students, I can neither condone or support the actions which took place in the House of Commons on the afternoon of Wednesday, October 17, 1990. I would like to inform members of Parliament the federation played no role whatsoever in this escapade." This letter is dated October 18.

Suffice to say that some of us were greatly embarrassed yesterday by that demonstration. I understand that students can be frustrated and I understand also, having dealt with them all my life that sometimes things get out of hand. I do think that we have a serious dispute at this time, that it deserves consideration of this House. Mr. Speaker, I will leave it to you to decide whether or not there is a case here.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I only wish to make a brief intervention on this very serious charge that has been laid in the House today.

As Whip of the New Democratic Party I want to say a couple of things. I want to indicate that I was not contacted as Whip. I want to indicate that the deputy Whip of my caucus was not contacted, that the deputy House leader in his capacity as acting House leader was not contacted by the Sergeant-at-Arms, by the Clerk at the table, by the Speaker's office, by any member of this House or any employee of this House in advance of the activity that occurred in the gallery behind you, Mr. Speaker.

We had no formal notice by any official.

• (1520)

It is important that I separate the official notice and the unofficial notice, in terms of the information that came to us. I also want to clearly state, from the basis of my own discussions with my caucus colleagues and staff of the New Democratic Party caucus, that we had no informal knowledge, we had no advance notice, there was no conspiracy, and no working relationship to ensure that a demonstration occurred in this House.

It is not acceptable to us that demonstrations occur in the gallery. I think all members should realize and remember that demonstrations have occurred in every gallery in this House, in the public galleries at either end, the NDP gallery, the Liberal gallery, and the government gallery. And for every one of those events, at least in the two side galleries, members of Parliament would have to provide the appropriate passes, for people to sit in those chairs.

We, as members, have a responsibility, whether it be constituents from our ridings, a citizen of this country, or a visitor to this country, to provide them with access to the House of Commons. On many days, there are lineups outside the opposition gallery door because the demand for seats is so high. But we do not, as a matter of course, demand that these people sign a form saying that they are going to be good little boys and girls. That is not our job. For us to even suggest that to them would make them wonder about our role here.

The second point I want to make is that I want to confirm the comments made by my colleague, as they relate to the Question Period process. He is absolutely correct that at the end of our morning executive meeting, where every day we meet and receive the applications for statements and questions, the matter of the students was not raised. The matter of a question concerning students was not raised. It was only later in the day, as the member described, that the matter was raised directly with us and a decision was made to put that member on the list. In fact, I can remember, full well, at 1.35 or 1.40 p.m., when it was discovered that our list, that piece of paper that we give to you indicating our lineup had not been changed to reflect the decision and the member who rose to respond to the government's charge was not even on the "list".

Mr. Speaker, I believe, while obviously it is your responsibility to make the decision, that there is no *prima facie* evidence and that there is no need to refer this matter to committee for further review.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, every year, during the many years I have had the privilege of sitting in this House, we have had students' day, for members of the Canadian Federation of Students. Every year, members of the various parties are advised of their forthcoming visit. Every year we are asked to put questions that draw the government's attention to their requests, and so the question of the hon. member who is being accused today was very appropriate.

Every year, Mr. Speaker, since I have been here, in any case, we have had more or less the same scenario. The debate the parliamentary secretary asks us to take part in today is worthy of the best debates by student politicians.

Mr. Speaker, I hope you will not go so far as to make a ruling on such a futile and childish issue. If every time students organize some kind of happening or demonstration, this House stops everything and spends hours trying to censure one of its members, I think what we need is a motion, and I will be glad to move one, in keeping with this new approach. I am prepared to move a motion of censure against all the accomplices of the senators, who did things far worse than any student could have done.

Mr. Speaker, I would never blame the student. The example was set by the other place. However, we heard no bells, no bicycle horns and no kazoos. I congratulate the students. They were far quieter than their elders who look like a bunch of damned idiots.

[*English*]

Ms. Sheila Copps (Hamilton East): Very briefly, Mr. Speaker, I have to say that there is much ado about macaroni. We are supposed to be in the House debating an issue which could lead us into a third world war and instead we are wasting our time talking about macaroni. Let us get on with the business of the House.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, if I could just make clear the process that did happen yesterday. I was involved in all of the meetings during the day in terms of setting the questions for Question Period. It is certainly the case that there was no question proposed dealing with student fees. There was no suggestion that we raise a question with regard to national students day until much later in the day, I think somewhere around noon. In terms of any link between a request by the Canadian Federation of Students to raise a question and the demonstration, it was certainly nothing that came through us or to us.

To pick up on a couple of points that the parliamentary assistant to the House leader raised, I do not think that we can rely too heavily on what one person might have said about the source of the demonstration or how the demonstration was organized. I have been here when there have been other demonstrations. We have heard all sorts of allegations about who presented passes, who had passes for what, and which MP provided passes to those demonstrators. Never once have I heard it raised that because a pass from a particular MP was in the hands of a person who demonstrated that there was some implication this MP was involved in the demonstration.

I wonder why the New Democratic Party was not advised by that fairly large number of people who, in fact, suspected that a demonstration was to take place. No one was advised in the New Democratic Party, neither myself, the Whip, nor the deputy Whip. I think it is worth considering why that was not the case.

In that context, I would like to ask that we not forget the reaction from the government side yesterday when this took place. It was not just the case of the hon. member for Athabasca making disparaging comments about the hon. member for Windsor—St. Clair—and at least the member from Athabasca had the courtesy to withdraw his comments—there were statements all across the front bench on the other side and all across the remaining benches on the government side.

None of this appeared in *Hansard*, and perhaps for the better. I think we all know the sorts of comments made yesterday. They came very quickly as soon as the activity arose and they came thick and fast. I think we need to look a little more carefully at that, Mr. Speaker. I ask that you investigate, and I know you will, why the New Democratic Party was not notified, and I hope we will hear some indication of further retraction of statements from the other side as asked by my party leader yesterday. That is all I have to say on that matter, Mr. Speaker.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, this is not because I was student president at Ottawa U, where I had the privilege of being a member of the executive council for five years, apparently a record at the time. Neverthless, I have a confession to make. I remember that as a student, I launched an *Avro Arrow* from the gallery unto the floor of the House. No one ever knew. Today, the truth is out.

Some hon. members: Oh, oh!

Mr. Prud'homme: This object glided to the floor of the House landing at the feet of Mr. Hees, a former and well remembered member of this House.

I am very sympathetic to this kind of thing. I was a very active student. I was finally kicked out of university, but I would like to say Mr. Speaker, that—

• (1530)

Mr. Speaker: I am reluctant to interrupt the hon. member.

[*English*]

Perhaps we need a motion right now.

Mr. Prud'homme: Well, Mr. Speaker, you may be surprised some day. We may be happy.

As a matter of fact, to make some of my colleagues very happy, the other gentlemen have talked about rumours on the Hill and I heard one at noon that something is going to change my life here by six o'clock. I am the only one who heard that, but rumours are rumours. I am still here, Mr. Speaker.

One thing that I do not want to be taken lightly is that over the years, it is known that my respect for the parliamentary institution has only grown and grown.

I would not like this to be considered as a light event. It is severe. Yesterday, it was a piece of paper, but tomorrow, it may be something else.

In good spirit, I wonder if Your Honour would not rather remind members of the seriousness of such an event taking place and to remind all members that at no time should we give any kind of encouragement for that kind of action. I assure you that I cannot accept that.

Some hon. members: Hear, hear.

Mr. Prud'homme: I know I may not be very popular by saying the following comment, but I am not at all happy with two of the events that took place in the other Chamber. I said so. I say it publicly. Reading a petition, and all that is fine, but two of the events that took place in the Senate will never meet with my approval.

The Speaker must remind us of what this House is all about. Because you have the golden occasion to talk to the country, from your chair, Your Honour, maybe the time has come for you to remind us what this Chamber is all about. If you judge that there is a *prima facie* case, I will abide by your rule. But I would prefer to listen to you, Mr. Speaker, take a few minutes to remind us what this institution is all about and the respect we should have for it.

[*Translation*]

—and then perhaps take a charitable view and forget what the students did yesterday.

[*English*]

As far as I am concerned though, instead of bragging about what took place yesterday, the hon. member should consult his own conscience. If he feels he is not at all responsible, fine. He will have a good conscience sleeping tonight. If he feels that maybe inadvertently he did encourage, then perhaps he should take the appropriate action.

As far as I am concerned, I do not think there is a good case. Your Honour, I think, should remind us of the seriousness of what happened yesterday, because I cannot accept that.

As to making a question referred to the appropriate committee, I think that Your Honour would like to reflect on it and not take that appropriate action. I just would not like it to be passed over without you reminding us of the seriousness of what took place yesterday, Mr. Speaker.

Perhaps we should beef up the security on the Hill. We have an extraordinarily good person to see to it. He, himself, will see to it.

We can feel sometimes when something is going to happen. We live in modern times. Some people may think that is the way to put their message across. It is not the way to put our message across.

Mr. Rod Murphy (Churchill): Mr. Speaker, the member who rose is not just an ordinary member of the House, although all members are equal in this House. He is the Parliamentary Secretary to the Government House Leader. I think that must be weighed in the nature of the charge and the responsibility that the government must take to the charges that were made.

A very serious accusation has been made against an opposition member in the House. The accusations were based on hearsay, on rumour, and on the basis of posters that are out there and, before those charges were made in the House, the parliamentary secretary failed to do the adequate research to make sure that he was not making a false charge.

I have checked with the Sergeant-at-Arms. He indicates that our party was not told that there was about to be a demonstration. Further to that, he has indicated to our whip that the government did not ask the Sergeant-

at-Arms whether or not we were informed. They did not check before they made that very serious accusation in the House.

The parliamentary secretary made a very serious charge, as I have indicated. He made a very serious mistake, as my colleague, the member for Winnipeg—Transcona said. I would expect that we have a full withdrawal of that charge, or that member, if he finds that those charges are false and those charges are not correct because he did not check before he got up in the House of Commons and made those charges, that will resign as a member of the House.

Some hon. members: Hear, hear.

Mr. Murphy: Mr. Speaker, he made a very serious charge against a member of the House and he must be willing to accept the consequences.

In further evidence against the charges made on the basis of hearsay and rumour, I had the whip's office check. Yesterday, as we always do, we submitted our list of questions which we had planned on asking to the Canadian Press and the CBC. It is a courtesy that parties extend, as all senior members of the House should be aware.

I can tell you, Mr. Speaker, that on that list submitted to those two senior news bureaus we did not have a question by the member for Windsor-St. Clair, thus vindicating everything he has said.

We have no control of what might be on a poster. We have no control what somebody might say outside in the lobby. But we do know the questions that we intended to ask in the House.

We have got up and we have defended our actions. I would say that the government took a very despicable route today. It charged a member. It did not do its research. It did not do its homework, and it will have to pay in the House for those charges.

Some hon. members: Hear, hear.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I realize, as do all members, that this is a very important subject for the House to consider. Like all members, we are trying to understand the frustration and how strong people feel about certain issues, but none of us appreciate those feelings being demonstrated or communicated by way of throwing things down into the Chamber. It is harmless one day; another day it may be quite serious. None of us can subscribe to that kind of activity.

I listened, not in the Chamber but to my television, to the case put forward by the parliamentary secretary to the House leader. I listened to the facts, as the parliamentary secretary described them, to substantiate his case. I have to say that I did not hear, personally, as a member, facts. I heard a pretty good circumstantial case, if one were trying to make a case circumstantially.

Members being objective could hardly describe what we heard. If one wanted to assign guilt, if one wanted to presume guilt, and if one were trying to make the case, then the presentation of the member, circumstantially, would support the theory. I submit we did not hear facts.

I know on many occasions in the House—and it is primary and essential to the functioning of this place to accept the word of an hon. member— members frequently are called upon to do that. Sometimes there is great emotion running through the House when we are called upon to do that, but we have to do it. When a member is directly asked a question, that member directly answers the question. Unless there are hard facts—not a circumstantial case, not a suggestion of facts, but unless there are hard facts—we in this place always accept the word of an hon. member. I suggest, Mr. Speaker, if we depart from that we will be in very great difficulty in this place.

I suggest, as well, to you, Mr. Speaker, because you have a decision to make, that in the absence of hard facts to even refer the matter to the House for a vote, assuming one can anticipate how that vote may go, there is a presumption of guilt, whatever the outcome of the exercise. I think Parliament would be better served, and our time would be better served if we got back to the matter at hand as quickly as possible.

• (1540)

Mr. Speaker: I am reluctant to extend the debate very much further. There has been some suggestion that, serious as this matter is, I will have of course to consider it. There is another very serious matter which the House has been asked to debate today.

I am prepared to hear the hon. member for Windsor—St. Clair. After I have heard him, his colleagues may or

may not feel that they have to make any further observations. The hon. member for Windsor—St. Clair.

Mr. McCurdy: Mr. Speaker, I just have a fact to bring to the discussion and an observation.

I have never been in a situation of this sort in all my life. It is a wonderful demonstration of how evil can be the perpetuation of rumour, guilt by association, and the invention of facts and the exaggeration of facts in a way that brings this kind of an accusation to the fore. However subtly people, who are otherwise rationale sensible people, begin to behave as if those facts that are not facts were true. That is what has happened here to a very large degree.

Beyond that, I just wanted to point this out because it might be inferred that the Canadian Federation of Students was involved in the demonstration. I would just like to say that I called them this morning to ascertain whether they even knew about the demonstration and, as far as I was able to ascertain, no one at the offices of the Canadian Federation of Students, neither their elected officers nor their full-time staff, knew anything about it.

We have made every effort possible, I should tell you, Sir, to find out who was responsible and we have not really ascertained whom that might be. I just want to make it clear that the Canadian Federation of Students, insofar as we know, had nothing to do with it whatever.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I just want to say that we all make mistakes around here. I think the member for Peace River has made a mistake. I think that everything that has happened here since he made the charge demonstrates adequately that he made that mistake.

I do not think that he or the member for Windsor—St. Clair, or the House, should be dragged any further through this process. What is needed is for the member for Peace River to get up, in light of the counterfacts which have been presented and in light of the denial which has been made by the hon. member for Windsor—St. Clair, and withdraw the charge.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I regret I was not here for the entire discussion, having another important engagement, but I did want to say that I regret the parts of the discussion I have heard to imply that the hon. member for Peace River is showing some sort of prejudices or biases, or in some way is being unfair.

We have all seen, read, and heard, particularly in recent months, the contempt with which politicians in our institutions are being held around the country. A lot of it comes to us because of what happens in this institution. I guess what hurts more than anything else about yesterday's incident is that somehow that kind of behaviour, to those students at least, was legitimized as a legitimate expression of a political dissent in this country. It shows that they at least held this institution in such disrespect that that kind of behaviour was felt to be legitimate.

Against that background, the information that the member for Peace River adduced to the House today about the poster hanging up for a long time and indicating the NDP critic would be raising the question. The other evidence, circumstantial—

An hon. member: Yes. Unchecked.

Mr. Andre: Just a minute—suggesting that in fact they had, at the very least, used their intimate knowledge of what the New Democratic Party was planning and the offices and facilities—

Some hon. members: No.

Some hon. members: Oh, oh.

Mr. Andre: —to plan and bring about the event that occurred. The poster indicated they knew the NDP critic would be raising the issue, the fact that the students had obtained the passes. All I am saying is that at the very least, those students used their knowledge of the NDP's intent and their tickets to organize this event. Mr. Speaker, I cannot see how that can be denied.

I hear hon. members talking about the concern that their reputation has been besmirched as a result of these facts being adduced to the House. If that is the concern, if they wanted this matter looked into so any besmirchment could be cleared up by examination in committee, I would certainly facilitate and participate in any such motion. But, as it is, I would ask fair-minded members opposite to consider the facts that were in the hands of the member for Peace River and what happened yesterday and, rather than getting into a rage, look at the facts and realize that the hon. member for Peace River did nothing more than to legitimately raise what happened in the hope that we could all agree that whatever the

circumstance, it should never happen again and we can work together to try to restore the reputation of—

Mr. Speaker: The time has come to close off the debate. I have heard, and I have taken very great care in listening to the points that have been made. I am going to consider the matter very carefully and I will report back to the Chamber as soon as possible.

I have listened with, I think, some comfort to representations from some members regarding the respect which we need to have for this place and which other people ought to have for it. Those comments, quite frankly, this afternoon and also on other occasions have been helpful. The hon. member for Saint-Denis has invited the Chair, at an appropriate time, to make some comments along those lines, and I shall certainly reflect upon that.

However, I have a situation before me. I am now going to have to consider it very carefully. I think hon. members can take from this, though this is no indication of how I will ultimately decide, how sometimes extremely careful we have to be or we ought to be in this Chamber in what we say, what may be implied to us or implied by us. I will take this into account and I hope that I will be able to help hon. members.

There is, as far as I am concerned, no need to pursue the debate any further. It is probably appropriate to all go away and reflect a little bit on what has been said in the House and especially reflect upon some of the very helpful things that have been said by several of our colleagues.

Mr. Angus: Mr. Speaker, just a very brief point. I have listened carefully to what you have said and I would implore you, Sir, to put this consideration at the top of your priority list because I think it is totally unfair for my colleague to have this charge hanging over his head between now and the time that you are able to be seized of this matter and, of course, the whole caucus.

Mr. Speaker: I appreciate the concern of the hon. member for Thunder Bay—Atikokan and I assure the House that I will not delay unduly.

If there are other matters to be raised I, of course, will hear them. But, there has to be a point where these matters are concluded so far as argument and representation is concerned and I think that it is that time. The hon. member for Calgary West may have another point.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I raised a point of order last Friday and you indicated at that time that you would be seeking information from the Leader of the New Democratic Party as to when he might return to the Chamber. The subject matter of my complaint is charges levelled against me and my colleagues by their House leader. I have been living under that cloud now for a week with no apology, with no opportunity to air it fully and to have a response. I wonder, Mr. Speaker, if you have knowledge as to when he is returning because there is some difficulty for me in terms of arranging my schedule. It would be nice to be away tomorrow. I have some plans for tomorrow. If he does return tomorrow, can my question be held over until Monday? Is that acceptable to the Chair?

• (1550)

Mr. Speaker: On the question of privilege—

Mr. Robinson: A point of order.

Mr. Speaker: May I deal with this first? On the question that the hon. member for Calgary West raises, which was raised as a question of privilege, there were certain representations made by the hon. member for Calgary West in which I think his complaint was certainly aired in preliminaries at least. At that time the hon. member who is being complained of, the hon. member for Kamloops, was not in the House. The information I have is that he will not be returning until the end of this week. He is not here yet. The question of privilege was adjourned on the principle of fairness that we try to apply, that it not be proceeded with further without the hon. member being in the Chamber. The question of privilege is completely secure and I assure the hon. member for Calgary West that as soon as it can be arranged, we shall proceed with the matter.

Mr. Hawkes: A point of order, Mr. Speaker.

Mr. Speaker: There comes a point when the Speaker really has to ask hon. members to co-operate. We can go on with points of order all day long unless someone finally says: "Look, enough is enough". I see other hon. members wanting to rise. We have a very important debate in front of this House. A lot of hon. members, as they have indicated, would like to get on with it.

Mr. Hawkes: Mr. Speaker, I am not trying to cause trouble for the Chair. I take that to mean that I can be absent tomorrow even if that member is back. The question will be argued on Monday.

Mr. Speaker: I assure the hon. member for Calgary West that as I was not prepared to proceed too long without the hon. member for Kamloops being here, I will not proceed without the hon. member for Calgary West being here. I am sure that the genius of this place can work out an appropriate time to continue the discussion.

The hon. member for Burnaby—Kingsway.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will be brief. Your Honour is aware of the fact that I was seeking the floor prior to the intervention by the government House leader and on the point to which Your Honour indicated he wishes to reserve.

I want to raise two very brief points, Mr. Speaker. This is an important point. The first is to draw to Your Honour's attention a point which was not made during the course of the debate. That is that there was a very clear and unequivocal denial yesterday—

Mr. Speaker: I really am going to ask hon. members to support the Chair. I have heard the debate. I know the issues inside out. I understand exactly what I have to consider and I will look very carefully at what was said today. It may very well be that I will consider what was said yesterday, if that is what the hon. member is leading to.

Mr. Robinson: A point of order on a different matter.

Mr. Speaker: I am prepared to hear a point of order on something completely different. Unless the House is not going to support the Chair, the debate is over.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have a very brief point of order, not related to the earlier discussions.

In the exchange in the House today with the Minister of the Environment, he asked at that point about providing him with names of people who made charges of cover-up and other such words regarding the environmental process.

I would like you to know, Sir, that the day before yesterday I advised the Minister of Justice of two names of individuals who had these concerns and that two additional names have come forward today of which I will be advising the Minister of Justice.

Mr. Speaker: I appreciate the hon. member's intervention. He knew things I did not know when he phrased his preamble and I appreciate very much that point of order. I am sure it will be of help to everybody.

* * *

PRIVILEGE

DISTURBANCE IN GALLERY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will not, following your injunction, return to the substance of the point of order which was raised earlier.

I did want to raise a procedural concern. That is, in view of the seriousness of the charge that has been laid and the consequences which flow from that charge, both with respect to the member that laid it and with respect to the member against whom the charge was made, I would seriously request that Your Honour reconsider the decision to reserve on this question and bring back a decision as soon as possible.

Mr. Speaker: The hon. member, who has had many years of experience in this place, knows full well that we all try to press our point. I have indicated that I am going to reserve. I think it would be inappropriate for the Speaker to respond in haste to a matter of this importance. I will assure the hon. member for all of the hon. members in the New Democratic Party, and especially the hon. member who is the subject of this, that I will not delay unduly.

The Acting Speaker (Mr. Paproski): Before I call Orders of the Day, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment are as follows: the hon. member for Malpeque—The environment; the hon. member for Burnaby—Kingsway—Sexual Discrimination; the hon. member for Thunder Bay—Nipigon—Route Canada.

GOVERNMENT ORDERS

[*English*]

IRAQ

INVASION OF KUWAIT

The House resumed consideration of the motion of Mr. Clark (Yellowhead) (p. 13232); and on the amendment of Mr. Axworthy (Winnipeg South Centre) (p. 13240) and on the subamendment of Ms. McLaughlin (p. 13244).

The Acting Speaker (Mr. Paproski): When the debate ended, there was 10 minutes left in questions and comments for the hon. member for Renfrew—Nipissing—Pembroke.

On questions and comments, the hon. member for Bonavista—Trinity—Conception.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, a very short question to my colleague.

I appreciated the presentation he made and I certainly agreed with all his statements, particularly the part of the need for consultation.

Inherent in what the hon. member said was basically, when you have defence forces, you need a critical mass. There is a minimum level below which you cannot go for each country and for the free world as a whole. It is very difficult to describe what the free world is today, but it is very important to realize that there is a critical mass below which you should not and cannot go if you want to contribute to maintaining world order.

These forces up front are in the shop window. They are there. What do you have in reserve after you have deployed them? How much more have you in reserve? What militia forces do you have? How many spare parts do you have? This is a factor in looking at when the embargo will bite Hussein.

As we are involved in this critical point and time now, and I do not want to make a political issue of this, but I did notice and the hon. member did notice, that on the very day before we were talking about this in the House of Commons, there were indications from a speech made by the Minister of National Defence last Tuesday at a defence association network seminar led to speculation that Canadian forces may be cut tremendously. I do not know where the figures came from, but the article said 5,000 to 15,000 forces would be cut.

I would like the hon. member to comment on how those kinds of comments and speculation are going to help us buttress our position in the Middle East now and in the future with those kinds of activities.

• (1600)

Mr. Hopkins: Mr. Speaker, I thank the hon. member for his question because it is a very crucial one.

I mentioned in my speech that right now we are in a position to do some very fine work in the Persian Gulf and that we can do it at the diplomatic table as well. I pointed out that we drifted into World War II because no nation was prepared to defend the free world, not even Britain. It almost collapsed at the start of the Second World War, and we know what happened throughout 1940 in Britain. That is just one example.

We have heard from government members over the years that we must have a strong Canadian military community in this country and we must have equipment and everything. They have gone through six years where they have done very little and now they are talking about reducing the forces.

Government members have been saying that Canada did not have enough forces to do the job, and yet we are still in the middle of being expected to keep the peace in various parts of the world. We are expected to be helpful to UN forces when boundaries must be respected, even to the point of military action through the UN auspices. Why are we cutting our forces at a time when they are admitting in their own words that we do not have enough armed forces to carry out the duties that we are faced with in the world and in the country?

Even this summer, the army was a better diplomatic agent in Canada in the Oka situation than the government or any of its officials could ever hope to be. When we talk about the military force, we are not talking about guns, rifles, tanks, and ships all the time. We are talking about the diplomatic efforts of our Canadian forces. They are professionals in that field too. We are talking about their military efforts when it comes to a situation

of freeing a country overrun by a dictator. That too is their expertise. They are also good politicians.

The hon. member might not like me to say that because he is a former admiral in the navy, but they are good politicians. That is why he is in the House today. They are good politicians because they can work with other nations in the world.

Mr. Speaker, do you think that the people on the Golan Heights today do not have to exercise a little political savvy once in awhile in dealing with their situation? Whenever they are in peacekeeping situations in the world, they have to relate to the political realities of the situation they are in. They have to be diplomats enough to talk to those people and build bridges. They have to be military enough to hold their ground and do what is right for international justice and boundaries in this world.

I hope that answers the hon. member's question. I do not know why this government has not only not kept its commitment since taking office but now is talking about reducing the forces still further, just after complaining that we do not have enough forces to do the job as it is.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I appreciated a number of the comments made by my colleague, particularly the one where people such as Saddam Hussein must not be permitted to violate human rights and must in fact respect international laws. I just wanted him to explain to me very briefly what he believes the government's position is with regard to his point, that is that Canadian Armed Forces and other forces ought to be under UN command. Second, he did mention that the Prime Minister of course had not convened the House to make those decisions. He referred to the Oka crisis and to the gulf crisis, but is this not an approach that the Prime Minister uses on whatever he undertakes? It is either that or closure or some other form of limiting discussion by Canadians.

I have a final point. He spoke about a new order of peace and co-operation in helping each other out.

I do not know if the member has the time to respond to those three questions: the Canadian Armed Forces under UN command, the government's approach of not consulting, and the new order. If so, I would appreciate those comments.

Mr. Hopkins: I thank the hon. member for his question. First, the Prime Minister has an attitudinal problem. He is the Prime Minister of a democratic county, but he does not call Parliament into session to discuss decisions that his government is making in committing our Armed Forces abroad, and that is wrong.

Never again in this House—and I said that in ending my speech—should any government in this country ever commit troops to a military problem area where there might be a war without calling Parliament into session. This is still a democratic country, and the Prime Minister is practising dictatorship within the democratic situation we have in Canada and going along no his own.

On the Oka affair, I think the army did the best possible job it could. I had very good communication with some people in it. When they heard they were going to go in there, they said: "Nobody what happens, we are going to get blamed for what happened". I saw on television one night where a young soldier got punched in the nose, blood was streaming down his face. He never reacted. He stood there.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am pleased that at last, with other members of Parliament, I have an opportunity to speak on Canada's action in relation to the events around the Persian Gulf this summer.

The government's resolution on which we are debating begins well enough. It says that the House condemns the invasion of Kuwait by Iraq and demands the complete withdrawal of Iraq from Kuwait and affirms, quoting from the resolution:

> —unequivocally its support for Canada's actions in the United Nations Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2.

So far, so good, but unfortunately the government's resolution goes on to tie this to:

> —the despatch of members of the Canadian Forces to take part in the multinational military effort in and around the Arabian Peninsula;—

Even though the government had first spoken about the United Nations, it slides over the fact that the United Nations did not authorize that military action and the military action is not led, let alone commanded by the United Nations.

The New Democratic Party and I fully agree with the first part of the resolution, condemning Iraq's invasion of Kuwait and supporting the United Nations Security Council's decisions. It is likely that if there are further decisions by the Security Council in this matter we will support them as well.

However, we do not support the decision of the United States and certain other countries to take large military action in and around the Arabian Peninsula. We believe they should have waited for the United Nations to carry out the mandate that it has in this matter to give leadership to the nations of the world.

Therefore, of course, with my party, I support the amendment by the Liberal Party, that instead of the words "to take part in the multinational military effort in and around the Arabian Peninsula", we put in the words "to enforce these United Nations resolutions and that this House censure the government for not recalling Parliament at the earliest opportunity to fulfil its legitimate function of consultation and debate as to what role Canada should play in the resolution of the present crisis". We support that.

I do not intend to discuss that point particularly today since I think it has been well treated so far.

However, I do want to focus on the subamendment moved by the member for Yukon, the Leader of the NDP, to add the following words:

> And further, that Canada work at the Security Council to seek assurances that no country will take undertake offensive military operations against Iraq unless they are under UN command and explicitly authorized by the Security Council.

There are provisions in the United Nations Charter in articles 42 and 43 for dealing with this sort of situation. They have been very little used during a great deal of the history of the United Nations for reasons that have often been commented upon, having to do with the cold war.

• (1610)

I believe this is the occasion when those articles should be used. I think the United Nations is the only instrument created by the nations of the world by which we can choose a course of peace at this time, not instant peace but direction toward peace and avoid a course toward war.

We could be at a turning point. This is not just one little incident. This is an incident with many others behind it, beside it, and possibly following it. We could be making a major choice—not just Canada but some countries of the world—either to have more generations of war, and perhaps the ultimately disastrous war that all of us have learned to fear, or a choice toward building peace, slowly, with difficulty, with disappointment but nevertheless moving more and more by agreement toward peace.

I fear the danger is that we could tumble into a resumption of the conflict between what some people have called the northern hemisphere and the southern hemisphere, give or take a few miles here and there.

Beginning 1,000 years ago, there was a conflict between Europe and Islam as it spread across the Arabian Peninsula, northern Africa, and even into south western and south eastern Europe. Then there were five centuries of European expansion. There was conquest in the other continents, massacres of the population as in many parts of the western hemisphere, enslavement of non-European peoples mainly, and pillaging of their resources as though their people had no right of ownership to them.

Those memories have not disappeared among those people who are the majority of the world as it happens now. I believe there is no authority in the world except the United Nations that can guide us to find the way to peace. It is not some outside authority. The United Nations is us, but we have to work together to do it.

We must now stick with the United Nations in order to avoid a possible network of wars, not just one war alone around Kuwait and Iraq but the possible repercussions of it as happened, as everybody knows, in 1914 when one assassination in what was thought of as an unimportant part of Europe plunged Europe and other parts of the world into four years of war.

There are the possibilities of serious wars related to this not only in the Middle East but in other parts of Africa, in other parts of Asia and in Central or South America. As I said, I agree that Iraq by modern standards is an aggressor. It is a military aggressor. What it did is wrong. We must condemn it and oppose it by the best means we can choose.

However, as it was put once by Jesus: "Let him that is without sin cast the first stone." This is not the first act of military aggression in recent history. It is not the first act of military aggression in 1990. It is the first time the United Nations Security Council has taken it up, or the first time it has been able to arrive at an unanimous

decision with none of the five permanent members vetoing action.

I want to plead with members to go easy on the luxury of talking about fighting Iraq, deposing Saddam. Calling him a madman suggests that he might be less than human, and therefore we can treat him as less than human. I believe that is not the kind of thinking we should be following. That is no solution.

We have been told that we had to act quickly to protect Saudi Arabia. We really have been presented, so far as I have heard, with no evidence that Saudi Arabia was in danger. United States reported that it had information through its satellites that Iraqi tanks were amassing on the Saudi border.

United States reports have before at times turned out not to be true. There was the infamous Gulf of Tonkin incident which was concocted in order to escalate the war in Vietnam. Perhaps it was a mistake. Perhaps it was not deliberately concocted, but it certainly should not have been used as the jumping off point for that miserable war.

The invasion of Kuwait arises from a 60-year old dispute, in part that was generated by Britain's handling of its sphere of influence in the Middle East after World War I. There is no such dispute to my knowledge between Iraq and Saudi Arabia. There is no such dispute over any shared oil fields and this dispute between Iraq and Kuwait is partly a legacy of World War I colonialism when Britain and France as the principal victors in World War I, partitioned the old Ottoman Empire and took some as colonies and took some as, in effect, semi-independent states but under their tutelage.

In that area where Britain and France have been active ever since, though less than before, we had the United Nations' action of creating the State of Israel, a decision which unfortunately blew up in a dispute between the Israelis and those who had lived there before.

This arose from Britain's policy of having promised during the war, to get allies, promised the same land both to the Palestinians who had always lived there and to the Jews who yearned to return there.

When the United Nations tried to stabilize that situation with Resolution 242 demanding that Israel withdraw from territories it had occupied in war later on, that was scorned by Israel, ignored by the United States, not enforced by the Security Council, just as there was no Security Council action to stop or even condemn the United States for its naked, aggressive invasion of Panama and the killing of 3,000 people, mostly civilians. In other words we have a double standard here, Mr. Speaker, and let us not go to war just to make a debating point in a double standard.

The fact is also that the five permanent members of the Security Council have been among those who armed Saddam during the past 10 years. Why? Apparently they wanted Saddam to attack Iran, which Saddam did. Now Saddam has made peace with Iran and has attacked Kuwait, but his conduct as a military aggressor was blessed for years by the United States, by Britain, by France, implicitly, and suddenly they have turned their blessing into a curse.

Mr. Speaker, we have something on our own consciences as allies in NATO of the United States and Britain. In fact it was the NATO alliance to which the Secretary of State for External Affairs appealed as an authority when he said that he had sent the ships to the Middle East after consulting with NATO officials in Brussels. The Middle East is not in the legal sphere of responsibility of NATO by the NATO charter. It is thousands, or hundreds of miles outside it. NATO had no business authorizing ships or encouraging Canada to send ships to the Gulf of Oman. It was not NATO's responsibility, although I understand some NATO generals, now that they do not think they have to use their weapons against the Soviet Union, would like to try them somewhere else, such as in Arabia to defend United States oil.

United States oil has been a very serious problem in the Middle East for a good many decades, for example in the overthrow of the former Prime Minister of Iran. I am reading here from a document called *The Recent Iranian History* by the parliamentary Library dated September 19. In part he is talking about the dispute over oil price:

> —the British owned Anglo-Iranian Oil Company (AIOC) was still in place, and its royalties to Iran totalled less than the British Government's tax revenues from the Company. Many Iranians grew increasingly discontent with this arrangement, regarding it as blatant exploitation—

Further down, the article states:

> Agitation to nationalize all Iranian oil production has been growing since the end of the War—Mohammad Mossadeq emerged as the Majlas member who rallied the nationalist cause, and the shah felt compelled to support the legislature's nationalization of the oil industry (after the fact, and to appoint Mossadeq as Prime Minister.

• (1620)

Then, enter the United States.

> The shah saw his position gradually being eroded, whereupon he conspired with the Eisenhower administration to oust Mossadeq. Operation Ajax was set in motion in August 1953, whereby Mossadeq was deposed, the shah regained control, and a number of ultra-nationalists were tried and executed.

That is what the United States was willing to do, by way of aggression, to ensure a low price for the oil it wished to buy. So I say that the United States and some other countries come to this dispute without clean hands.

There is wide antipathy in the Arab world, so one reads. I have not had the opportunity to travel there, yet. There is wide antipathy toward Europeans, including the Europeans who govern the United States of America. It is not only with Iraq that we might find ourselves fighting. We know that some of the other countries there are not on our side or not fully on our side. Iran and Jordan have an uncertain position from our point of view, that is, from our military point of view. The danger is that the war that started by the NATO powers, with a few small allies including Egypt, making military moves to the Persian Gulf, might turn out to be unwinnable. I quote here from another article which I happened to find by chance, as I was browsing through *The Financial Post* on Tuesday, October 16. The article is by John Shiry and I quote:

> U.S. and Western policy toward the Middle East is in a shambles. In the past and at present, the West's best friends have been monarchs who control most of the oil, and the state of Israel. History and population numbers are on the other side.

He goes on to point out, in another quotation:

> The region has problems of poverty, illiteracy, public health, population growth, water supplies, development and food production.
>
> At this time, about 200 million Arabs live in the area that stretches from Algeria to Iran. At current rates of growth that will double in less than 25 years and reach 500 million by the year 2025.

Now the point that he is making is that the oil tends to be in the countries with small populations and the countries with large populations are relatively poor and what he has described there is the poverty of the large populations. He goes on:

> Most of these people live in countries that are not rich, and most of their cultures place a high value on having large families. At the same time, most of the economies are unable to provide adequate jobs, health care, education and housing for their existing populations. A central problem is that much of the region's oil wealth is in the countries with small populations.

The point that we of the countries who are members of NATO would do well to remember is the point that he makes in the last paragraph that I quote:

> To many leaders and citizens of the region,—

—that is Arabia.

> —the only things the West cares about are cheap oil and the security of Israel. That is not the case. But it is easy to see how the image can exist.

That is the warning. It is not just Saddam Hussein who sees us as the enemy, it a great many millions of people besides him. In fact, we have to understand that the era of gunboat diplomacy has come to an end. The NATO powers had better understand that we are not about to continue ruling the world for another five centuries. We have been selling arms. Some people grew quite rich in our country by selling arms to the former colonies. Other people grew rich by lending them money to buy the arms and collected the interest on the debts and overthrew governments if they did not pay the interest.

These people have all kinds of conventional weapons. We have had so many stories about weaponry that Saddam has and nearly all of it he bought from our countries except what he made with machinery he bought from our countries, such as chemical weapons and perhaps nuclear weapons. We ought not to be surprised if Saddam uses the weapons we provided him and uses them in the way we have been using them during this century, including the nuclear weapons.

The question is what alternative is there to both appeasement and to international war? The answer is common security. Former U.S. Secretary of State Cyrus Vance was one of the pioneers of this concept. He said some years ago:

> There is one overriding truth in this nuclear age—no nation can achieve true security by itself—Both we and the Soviet Union are, and will remain, vulnerable to nuclear attack—To guarantee our own security in this nuclear age, we must therefore face these realities and work together with other nations to achieve common security. For security in the nuclear age means common security.

The question is, how can we put into practice the principle of common security put forward by the former Secretary of State of the United States? That is the principle, that if our enemy is afraid of us, we are not safe. Or if we are afraid of our enemy, he is not safe, not with nuclear weapons around. The principle is that we must co-operate in order to live and in order bequeath a world in which our children or our grandchildren can live.

We have the basic means to do that in the United Nations. We have the United Nations General Assembly when for the first time in the history of the world almost all countries, including the Arab countries, are present. We have the Security Council empowered to act. We have the World Court, even though the United States ignores it. We have almost four decades of experience of UN peacekeeping.

I see, Mr. Speaker, you are indicating that my time is close to finished and I simply want to make two more points. We must make up our minds to use the least violent methods we can find to end international violence. Some of these are sanctions, continued negotiations, a peace conference on the Middle East to include Israel and the Palestine Liberal Organization and we must stop the deadly trade of money for weapons.

Finally, we should learn to get off dependency on oil. We can do that and it would help everybody including ourselves if we would.

These are alternatives to appeasement. They are alternatives to international war. It is in lines like this we must work to try to restore peace in the Middle East.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I found the comments, particularly the final comments of my friend from Trinity—Spadina most interesting given the article that I was just reading *Defense & Diplomacy*, October 1990 issue, an article by Dr. Christine M. Helms. In this article Dr. Helms discusses some of the background of the present dispute in the Persian Gulf, as set out by my friend, and makes a comment that the seeds of discontent between Iraq and the United States had been sown at least five years earlier when American officials became increasingly concerned over Iraq's military capabilities, particularly an acquisition of advanced technology. She goes on in the article to talk about one of the matters the member for Trinity—Spadina has talked about, common security. I think it would be relevant to quote a couple of paragraphs from the article where she says:

> Rhetoric is platitude, and morality will remain elusive. The ultimate losers are the region's common folk, people whose mundane daily problems will continue to multiply. The region's population, for example, will double in the next two decades in the face of dwindling resources, especially water.
>
> But crises can be turned for the better. If Arab leaders can address more effectively the causes of the region's economic and social discontent and the Western world can learn about the deep-rooted causes of conflict in the region and assist in a wise positive response, some good may yet come of all this.

• (1630)

Given the hon. member's comments on our common security and a move toward common security, does he feel that any of the recipe for that commonalty is present? Can there be some way that some good can come out of this total conflict?

Mr. Heap: Mr. Speaker, I thank the member for his question. I think it can. I do not think it will or will not. I am not trying to predict. We have the possibility. We are in the very business now, along with people in other countries, of making that choice.

We can choose to revert to old patterns, World War I and World War II patterns, and fire all our ammunition or, we can choose to hold off, to pull back, and to use diplomatic pressure, economic pressure, offers of aid, not only to the Iraqi population who are by far definitely not the most affluent in the world, offers of aid to others in that region, that is non-military aid instead of sending more guns, either in the hands of our troops or to put into their hands. That money is needed so that children, women, and even men can live. I believe if we move in that direction, then there is the chance to do something much better than what we have had up until now in the Middle East.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would first like to congratulate my desk-mate on an excellent speech.

I would like to comment briefly that I think there has been a tremendous loss which Canada as a country has faced because of our decision to follow the United States to the Persian Gulf. Since the Korean War, we, as a country, have always seen for ourselves our fundamental and basic role in the world to be that of peacekeeping. With the decision to take an active part in the military role that has been established in the Persian Gulf, we have seriously hurt our credibility in the future as a country that will be acceptable in peacekeeping situations, such as Cyprus and the Middle East, itself.

It is very easy with some kind of gung-ho patriotism to say to the United States, as the Conservatives used to say to Britain: "Ready, aye, ready." It is dangerous, not so much because in this case we will be caught up in battle, although that may happen, but dangerous because the number of countries in the world that are committed to peace and to using peacekeeping as a mechanism to solve problems is reduced if we withdraw from that task which we have seen for ourselves in the past.

I hope very much, Mr. Speaker, that across the country there will be a rethinking of the commitment to take military action in the Persian Gulf. I hope that we will see ourselves as the world's peacekeepers and recognize that means that we do not get involved in these kinds of potentially very active conflicts of an armed sort.

Would my colleague agree with that position?

The Acting Speaker (Mr. Paproski): The hon. member for Trinity—Spadina has a couple of minutes to wind up.

Mr. Heap: Mr. Speaker, I thank my seat-mate for the question. I hope he will not feel I am ungrateful if I do not entirely agree with him. We may have to sort this out outside.

I do not think we have lost our status and our standing in people's eyes as peacemakers. I think we made a mistake sending the ships. They were sent there. Now it is done. I think it was a mistake, but I do not think the world will refuse to forgive us for one relatively small mistake, and so far, not a harmful one.

I have said that we do not need to act as though we were pure, like the man who was invited by Jesus to cast the first stone, and there was not anybody found to do that. We do not need to be self-righteous. We could admit we made a mistake and back off. I think our record over the years would stand us very well.

I am particularly proud of what I saw when I was in Nicaragua in February, at the time of the election there, and the work that the United Nations had done to ensure, for the first time in most of those countries, a peaceful transition from a military dictatorship to a civilian rule of a different party. That is what the United Nations did for Nicaragua and the Nicaraguan people of both points of view are grateful for it. I believe that Canadian being participants in that still have a good record, but we should not damage it any further than we have.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Notre-Dame-de-Grâce.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to make it very clear at the beginning of my speech that I fully support that part of the government's resolution which condemns the invasion of Kuwait by Iraq.

We must be opposed to any unilateral military action which serves the sole interest of one country, in this case, the invasion of Kuwait by Iraq. But we must be consistent with that principle, and whereas it was wrong for Iraq to invade Kuwait, it was also wrong in previous years for the United States to invade Grenada, and for the Soviet Union to invade Afghanistan. It was also wrong for the United States to fund the Contras so it could then invade Nicaragua, and for the Americans at the same time to set up a unilateral, economic blockade against the very small and struggling country of Nicaragua.

All those actions were wrong. They are all unilateral, military actions by a bigger power against the smaller country and done in the self interests of those countries. So, Mr. Speaker, while it is right to condemn the invasion of Kuwait by Iraq, I must say that it does not help the United States' case that it has carried out similar military actions in the past, nor the Soviet Union's, as I said, who made similar invasions in the past.

• (1640)

We should all hope this incident in the Middle East would lead to a new attitude by the superpowers—the United States and the Soviet Union—and other powerful countries, that we must never use unilateral, military

action against another country to serve the self-interests of our own country.

While I say I fully support the condemnation of Iraq in this particular case, at the same time, I have been and I was in the beginning extremely concerned by the fact that Canada's response in sending three ships to the area was done at the request of the United States in the first place, and not by the United Nations. The immediate action by the government to send three ships, no matter how grave the attack on Kuwait was, was done at the request of the United States. That concerned me very much. It was troublesome.

I was also concerned for many weeks—this has been pointed out by many members on this side of the House—that when the government made the decision to send those ships to an area where war might very well break out, it did not immediately recall Parliament. Again, I do not think that the government should ever do that again. Whenever our military forces are sent to any area of the world, it should involve the Parliament of Canada in the decision. It may have been able to convince us in August that it was the right thing to do, but we should have done it with the approval of Parliament and not by the government alone. The government was at fault for not doing that.

One reason that it was incorrect for the Government of Canada to send those three ships in the first place at the request of the United States alone is that it undermines our credibility as a peacekeeping nation. Canada has had a long reputation as one of the outstanding peacekeeping nations in the world. We participated in almost every peacekeeping operation. Our former Prime Minister, Lester B. Pearson, was awarded the Nobel prize for initiating UN peacekeeping forces. When we respond to a situation like this without doing it through the United Nations, I think we undermine that credibility.

Despite those early misgivings, things turned out better than I originally had hoped for, because soon afterwards the United Nations Security Council did pass a resolution authorizing mandatory economic sanctions against Iraq. It also authorized the use of military forces to enforce the economic sanctions.

That was a great step forward for the United Nations, because it was the first time I believe that it was able to use Article VII of the UN Charter to enforce a decision of the Security Council. Now we have a situation where I think 150 countries support the economic embargo, 150 countries support the resolution of September 24 in the United Nations, and there are 25 nations which have military forces in the gulf area.

All that is to the good, but I must say there are still some very serious questions that have to be answered. Of course, one of them is that, while the forces that are there are operating under the mandate of the United Nations resolutions, it is still very unclear as to what is the command with respect to those forces.

As you know, Mr. Speaker, the UN Charter provides for a Security Council military committee which is to supervise the use of forces under Article VII of the Charter, but that is not being done at the present time. The United States has been reluctant to place its forces under such a command. We have a situation right now where, legally the lines of command are unclear, but in fact, we know that the United States is calling the shots, and I do not think that is acceptable. While there has been a stand-off in the Gulf area between the multilateral forces stationed in the Gulf and in Saudi Arabia and the Iraqi forces in Kuwait, with no further military action, it is always possible with that large build-up of forces that military action could take place.

I was present at the evidence before the Standing Committee on External Affairs and National Defence just a few days ago. There was testimony by some witnesses that war is inevitable. That, I found, was a very depressing analysis of the situation and I hope it does not take place, but many experts believe that sooner or later this situation will develop into outright fighting.

There are four possible goals for those forces in the Gulf area. The first one, of course, is to enforce the sanctions against Iraq as has been authorized by the United Nations and is acceptable and legitimate. Others, however, are talking about the use of the forces to protect Saudi Arabia if there is an attack on Saudi Arabia by the Iraqi forces.

Again, one could legitimize the use of the forces in that instance because they would be protecting a sovereign country against an invasion. That would be legitimate in the short period under Article 51 of the UN Charter, but if the UN is being consistent, I am sure it

would agree to the protection of a sovereign state against any invasion.

I do not think that is a possibility at the present time because I doubt if the Iraqi forces could overwhelm the multinational forces that are in Saudi Arabia and that area, especially with the very powerful American forces supported by other countries which are there. So, there are those two options that could be acceptable under UN auspices; that is to enforce the sanctions and to protect Saudi Arabia against any attack.

However, there are two other options which are being discussed in the councils of the world and by governments of the world that involve more risk. The third such option is that those multinational forces take the first move to drive the Iraqi forces out of Kuwait. Again that would be an extremely risky move at this time. If a decision was to be made in that respect, I think it should not be made unilaterally by any of the parties there, but be considered at the United Nations after many alternatives had been tried and, perhaps, failed.

The fourth option, and this is being discussed, is that the forces would be used not only to drive Iraq out of Kuwait, but to depose Saddam Hussein from office in Iraq and put that government out of power to assure that no further such actions took place. Again, Mr. Speaker, that is a very dangerous contemplated action.

Of those four options which are open to the multinational forces in the Middle East, I think it is obvious that the first one is totally acceptable. The second one is also acceptable. But the third or fourth must be looked upon with serious reservation and should not be contemplated at the present time whatsoever.

As many other hon. members have said, I think every attempt has to be made to resolve this situation peacefully. The resolution before us also asks for the immediate and unconditional withdrawal of Iraqi forces from Kuwait. Well, I think we have to try and attain that goal through negotiated actions and through sanctions.

I noticed today that the Iraqi government has offered to sell its oil for $21 per barrel, about half the world price, in an attempt to win friends. I hope that no nations of the world will be led astray in accepting that offer. If I have the information correct, Iraq earns 85 per cent of its revenue through the sale of oil, and it is by the refusal to buy that oil that we are going to bring Iraq to its knees and make it listen to sense in this particular instance. When I say listen to sense, I really mean common sense.

• (1650)

If you try to justify what Iraq is doing today and has done in recent weeks against Kuwait, one day similar action may be used against Iraq itself by a bigger power. You cannot use this type of military action simply when it pleases you and hope that people will forget about it or that it will go away in the minds of the nations of the world. That is why I said there is some hypocrisy here. While the United States is now supporting multilateral action under the UN, it has taken unilateral action to serve its own purposes in the past. That was equally unacceptable.

Unfortunately, the ability of the United Nations to respond to such an attack as was made by Iraq on Kuwait through the use of peacekeeping forces is not adequate at the present time. Years ago the United Nations made a request to several countries of the world to designate standby forces for the United Nations so that when an incident like this took place, forces would be trained and in place so they could immediately respond to the situation.

Canada as a country, under both Liberal and Conservative governments, has designated that it will have forces ready and has always been ready to respond in that way. There have not been enough nations of the world to do that. As a result, when you do have such invasions, it lends itself to countries like the United States involving itself unilaterally at the request of Saudi Arabia to protect that nation. Nevertheless, it is not the most desirable way to proceed if we want to avoid unilateral action by nations and not common security through the United Nations.

There has been a great improvement in the United Nations in recent years. We can look at the action it took in helping resolve the situation in Afghanistan. We can look at other situations which the United Nations has been able to resolve in recent years. Much has had to do with the new attitude in the Soviet Union. I take this

opportunity to congratulate Secretary General Gorbachev of the Soviet Union for winning the Nobel Peace Prize. A new breath of air has come into the United Nations as a result of the co-operation between the Soviet Union and the United States. Hopefully, both countries will be willing to act through that international body rather than unilaterally on their own or even together as superpowers.

Once this incident passes, we have to use this opportunity and experience to effectively strengthen the capacity of UN peacekeeping and peacemaking forces so that the United Nations will be able to handle these situations quickly and effectively, without nations being tempted to resort to unilateral action.

I have examined all of the plans that have been put forward to bring peace to that region. It appears to me that the one put forward by President Mitterrand of France is probably the best. President Mitterrand has suggested that if Iraq withdraws unconditionally from Kuwait and releases the hostages, there should be an international peacekeeping conference to consider all the conflicts and problems in the Middle East, including the Palestinian question. Whether we like it or not, it is linked to this particular conflict. I say whether we like it not because, while in the first case it may appear that it is not linked, it is linked in the minds of the nations in the Middle East. If we are going to have peace in the area, we have to deal with the Palestinian question and their right to have a state of their own. As has been stated in this House on several occasions, Canada has long supported UN resolutions, which go a long way back to secure the boundaries of Israel originally agreed upon but at the same time provide for a Palestinian state in the West Bank and in the Gaza. Mr. Speaker, there will never be peace in that area unless that is done.

Mr. Speaker, I see you are motioning to me that my time is coming to an end. In conclusion, I simply want to say that our bottom line in this particular case is that we can never accept unilateral military action. The best response has to be common security action through the United Nations. I hope that we in the House will be able to agree upon a resolution as a result of this incident. I understand that such a resolution is in the process, a resolution which will make those principles absolutely clear.

The Acting Speaker (Mr. Paproski): Before we have questions and comments, there is a point of order by the hon. Parliamentary Secretary to the Government House Leader.

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, there have been discussions and you will find unanimous consent for the following motion:

> That, in relation to the government motion respecting the invasion of Kuwait by Iraq, Motion No. 16:
>
> Debate on such motion and on any amendment or subamendment thereto be the only government order to be called today following the adoption of this motion; and, that such debate continue following Private Member's Hour and adjournment proceedings today until no member rises in debate, but in any case no later than 1 a.m., at which time a deferred recorded division on such motion and on any amendment and subamendment thereto shall be deemed to have been requested and ordered to take place at 6 p.m. on Tuesday, October 23, 1990, following which ordering on Thursday, October 18, 1990 the House shall adjourn; and, that following the adoption of this motion and until the House adjourns today, dilatory motions and quorum calls shall not be receivable.

Mr. Dingwall: Yes, Mr. Speaker, there has been discussion among representatives of the parties of the House and our party would consent to that motion as read by the parliamentary secretary.

Mr. Axworthy (Saskatoon—Clark's Crossing): Yes, Mr. Speaker, on our behalf, too, there have been discussions and this meets with our approval.

The Acting Speaker (Mr. Paproski): I have a little problem with that. I do not think you can have the adjournment debate from 6 p.m. to 6.30 p.m. I think we will have to delete that portion of the motion, if it is agreeable to the House. A point of order, the hon. member for Burnaby—Kingsway.

Mr. Robinson: I understand that normally the adjournment proceedings would take place following the extension, but this was discussed among the parties and I believe that there is agreement that by consent of the House we would in fact proceed with the adjournment proceeding as scheduled at 6 p.m. and then resume the debate. My understanding is that by unanimous consent that can be agreed to.

Mr. Cooper: Mr. Speaker, I can signify that was discussed and agreed. The motion as read was the one that we agreed to.

The Acting Speaker (Mr. Paproski): I know we can do anything here by unanimous consent, but I just wanted to bring to the attention of the House that when there are extended hours, during that time we usually drop the adjournment debate. We have Private Member's, but we do drop the adjournment debate. The Chair is your obedient servant.

Mr. Dingwall: In the spirit of trying to co-operate with members to the extreme left, we thought that we could accommodate them in that particular request. It was agreed to by the parliamentary secretary, myself and the hon. member for Burnaby that we would proceed with the Private Member's Hour, followed thereafter by the adjournment debate, and then we would resume with the major debate on the Iraq motion that we are now debating. That was the understanding of all three political parties, unless I stand to be corrected.

Mr. Robinson: Mr. Speaker, my friend on the extreme right is correct, that was the understanding.

The Acting Speaker (Mr. Paproski): I am glad you got your act together. Thank you very much. Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on todays Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

SPORTS

INDEPENDENT REVIEW AND ARBITRATION

Mr. John Brewin (Victoria) moved:

That, in the opinion of this House, the government should consider the advisability of establishing an independent review and arbitration process whereby disputes between athletes and sports organizations can be resolved, with power to investigate and direct such remedies as deemed appropriate.

He said: Mr. Speaker, on August 25, 1978, two members of the Canadian swim team competing in the World Championships in Berlin decided to go out for a quiet dinner. In the course of their celebration of what had been for them a very good season, each of them had one beer and were five minutes late for their curfew. As a result, they were sent home without explanation and lost their position on the team and lost the careers they had developed.

Sports in Canada is rife with stories of this kind. What was once upon a time a simple matter of signing on for participation in an event has in the post-war period become quite a different exercise and activity.

Sports in Canada, as around the world, has become professional. Sports in terms of the Olympics, Commonwealth Games, and Pan American Games has become professional. This is not in itself a bad thing in the arts and cultural field. Because of the resources we have built and the kinds of economies we have, we have been able to employ significant numbers of our people in the pursuit of excellence. This is so in arts and so in sports.

We have provided an opportunity for Canadians of all ages. Mr. Speaker, you in fact may be eligible even now for the lawn bowling team to compete in the Commonwealth Games in Victoria in 1994.

Some hon. members: Hear, hear.

Mr. Brewin: I will take that up with the Victoria Commonwealth Games Society, Mr. Speaker. I am sure your application would be well received. The fact is, though, that if you were to do that you would be subject first of all to a body that would decide who is to be on the team. Once on the team, you would be subject to the rules of that team. Included in those rules would be the absolute discretion as to whether you would compete or not.

As we all know—and not only in the area of selection and eligibility, but also when it comes to working conditions—financial assistance to athletes is determined now by a very complex bureaucratic process. Young athletes—and they are primarily younger than you and I, Mr. Speaker—who are elite athletes still in competition live in a world completely dominated by the bureaucracies that govern them. Most of the people who work in these bureaucracies do so out of a conviction that sport has a very important place in our society. However, they do so also often without any significant training on employer-employee relations and without any significant constraints on the powers they exercise over young people and over the athletes and coaches who work for them.

Clearly one of the most dramatic examples we have seen in recent years is the Ben Johnson affair. When we look a bit closely at that, we see some of the problems that this motion is intended to address.

Ben Johnson clearly made a major breach of the rules under which he was expected to work. The penalty imposed upon him was not a penalty that had been promulgated for the offence he committed, for having been found guilty for the first time of use of banned substances. The government and, through the government, the sports organizations purported to ban him for life. Yet, the fact of the matter is that at the time the appropriate sentence that had been set down for a first offence was a two-year suspension. It is only now, two years later, that in this area justice has been restored to Ben Johnson.

This motion which is before us calls on the government to:

> —consider the advisability of an independent review and arbitration process whereby disputes between athletes and sports organizations can be resolved, with power to investigate and direct such remedies as deemed appropriate.

The genesis of this motion which I placed on the Order Paper in April 1989 was a book entitled *Athletes' Rights in Canada* by Bruce Kidd and Mary Eberts. This book represents a comprehensive analysis of the situation facing athletes and coaches in our sports system across Canada. It was ironic perhaps that following the filing of this motion the Dubin inquiry, for totally different reasons, began to get into its deliberations.

I had an opportunity to present views to the Dubin inquiry and was appreciative of the acknowledgement of that by Mr. Justice Dubin. However, I was even more appreciative of his recommendation and conclusion. Mr. Justice Dubin concluded at page 556 of his report as follows:

> As I have stated earlier in this report, the rights of athletes must be respected. It is apparent that athletes have a number of areas for potential disagreement with their sport-governing bodies, including not only doping infractions and eligibility to compete, but also the broad range of rules that govern the conduct of amateur athletes. At present there is no uniform method of resolving these disputes.

Mr. Justice Dubin, as he then was, went on to recommend in recommendation 38 as follows:

> THAT all national sport-governing bodies establish within their own rules a grievance process through which athletes may receive a fair hearing from the sport-governing body itself, including a mechanism for arbitration by an independent arbitrator mutually acceptable to the parties.

I urge on the government and I ask this House to urge on the government an acceptance of that recommendation by Mr. Dubin. The recommendation is a very important one for natural justice to the thousands of athletes and coaches who compete and work in our system.

The model that is suggested by the very language is the model that comes from the world of labour relations. As Bruce Kidd has pointed out on a number of occasions, including in his evidence before the Dubin inquiry, the relationship of athletes and coaches to the sports organizations is in reality the relationship of employer and employee. However, the only rules that govern are those rules imposed by the sports organizations, often through contracts which the athletes are required to sign and the coaches are required to sign. Often those contracts are signed without any real bargaining power on the side of the athletes and coaches who have to sign them. They either sign them or they do not participate.

The labour relations model permits a process of conciliation as well as arbitration. In the world of courts and trials there is relatively little emphasis on that. The world of labour relations does permit an understanding that what really has happened in most of these cases is a breakdown of the relationship and that, therefore, there should be some real effort to mediate and resolve the underlying dispute. However, behind that there must be some independent capacity to make a decision which will be binding on the sports organizations so if someone is disciplined without just cause, or the length of the discipline is unfair, or if someone is not selected to a team outside the basic rules that should fairly apply or is de-selected, thrown off the team, or is ruled not eligible for funding, unfairly or improperly, not in accordance with the rules, the athlete or coach who is so treated will have some access to justice and to some independent ruling.

• (1710)

Some will be concerned that this is going to tie up things and is going to get lawyers and everybody else involved. It has been shown again in the world of labour

relations, that does not have to happen. There are hundreds of thousands of grievances that take place in the work world. Virtually all of them are decided quickly. Often the representative of the employer has barely realized that a mistake has been made. But that has, nonetheless, been felt to be a grievance by the subject employee.

In this case, the very existence of the system will act to encourage those in positions of authority in the sports world to be fair in dealing with the athletes and coaches involved.

We can easily foresee a system which will permit a quick and immediate resolution of issues which need a quick and immediate resolution, all short, I may say, of telephone judges in the middle of a day.

We can have systems which will mean that there can be a quick interim decision followed eventually by a more careful and thorough examination of the facts, and where possible, a remedy that can be applied.

It should also be necessary, as part of this regime, that the government through Sports Canada should be educating sports organizations and those involved in the system of the kind of rights athletes and coaches should have.

I hope the government members will not see fit to talk this bill out. It is an important matter to thousands of Canadians. It is nothing that is finally binding on the government, it merely asks the government to consider this proposal. We are are already looking at this in the subcommittee on Fitness and Amateur Sport and will be making recommendations on this issue to the government. We would be assisted by the general views of this House as to the advisability of an independent review. We are really simply asking the House to endorse the recommendations of the Dubin Inquiry and to pass judgment that this is a sound and fitting idea.

The relevance of the idea can be seen in a case that has already come before our committee, and that is the case of Andrezej Kulesza, the weightlifting coach who felt thoroughly abused by the findings and report of the Dubin Inquiry with respect to his case. He may be right or he may be wrong, as he appeared before the committee, he had a deep sense of grievance at the treatment he felt he had received. Our committee was unanimous in asking the Minister of State for Fitness and Amateur Sport, as perhaps a first and test case, to accept the Dubin approach in his case, which was to establish his right to appeal this to an independent arbitrator. Therefore, we have already a specific and active case, and if the House could endorse the motion I have put before it, would assist in a fair and just resolution of this.

In the Dubin report there are many eloquent statements of great as to the role of sport in our society. I would like to refer the House to the following, on page 499 of the report. At the beginning of the chapter, "Ethics and Morality in Sport", Commissioner Dubin says this:

> We look to sport to build character, to teach the virtues of dedication, perseverance, endurance and self-discipline. Sport helps us to learn from defeat as much as from victory, and team sports foster a spirit of co-operation and interdependence. We look to sport to impart something of moral and social values and, in integrating us as individuals, to bring about a healthy, integrated society.

Mr. Speaker, one of the fundamental rights in our society afforded to employees in every aspect of our national life is the right of association, the right to the protection of collective bargaining. That right is not afforded to athletes.

I submit this House has an obligation, as does the government, to see that one of the most fundamental elements of justice in the workplace, and in this case, justice in the field of sport, be afforded to our young Canadians, that is the right to have their grievances fairly and impartially determined.

I would call on the House to unanimously endorse the motion before you.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, as has been so abundantly demonstrated on occasions, you are far more fit than I.

I am pleased, Sir, to participate today in the debate on the motion put forward by my friend for Victoria. The hon. member plays an active role in the parliamentary subcommittee and his views are of great interest and concern to the government.

[*Translation*]

As hon. members know, Mr. Speaker, the Government of Canada was pleased to receive the Report of the Commission of Inquiry into the use of drugs and banned practices intended to increase athletic performance—better know as the Dubin Report—which the Minister of State for Fitness and Amateur Sport tabled in the House last June 27.

If I may, Mr. Speaker, I should like to give my colleagues a few additional details concerning the report because I think they are particularly relevant to the motion now before the House.

The report was the culmination of a process initiated by the federal government a little over two years ago after Canadian athletes got positive drug test readings at the Seoul Summer Olympic Games in Korea.

This was a wide-ranging inquiry. Public hearings ran from January to October 1989, 119 witnesses were heard, 295 exhibits were produced and 26 written briefs were presented. In the end Mr. Justice Dubin's report contained 70 recommendations, most of them addressed to the federal government and to other interested parties belonging to the Canadian sports system, national sports organizations, the Canadian Academy of Sport Medicine, the Canadian Olympic Association, and the College of Physicians and Surgeons of Ontario.

On August 9 of this year the Minister of State for Fitness and Amateur Sport made a series of early announcements concerning about 26 of the 70 recommendations. More specifically the announcements related to the situation of people mentioned in the report—athletes, coaches and other support staff—and to a proposed structure concerning future drug-related sanctions. At the same time the minister indicated he would attempt to respond to the remaining report recommendations before year's end.

[*English*]

The issue of an arbitration process for sport was clearly addressed in the Dubin report. Indeed, Mr. Speaker, the report contains no less than 10 recommendations which speak to the need for improved appeal, arbitration and investigative procedures in respect of doping. As noted previously, these recommendations are directed at many authorities in the current sports system. For example, Recommendation 11(a) sees an expanded role for the Sport Medical Council of Canada as "the central independent agency responsible for doping control of Canadian athletes and co-ordination of Canada's anti-doping activities." This expanded role would include among other things responsibility for "investigating and reporting to Sport Canada incidents of doping infractions".

• (1720)

Recommendations 37 and 38 call upon national sport governing bodies to establish under their own rules mechanisms through which the conduct of coaches can be investigated and adjudicated, and grievance processes, including independent arbitration, though which "athletes may receive a fair hearing from the sport-government body itself."

A key recommendation addressed to the federal government in this regard was recommendation 42 which calls upon Sport Canada to establish "a right of appeal to an independent arbitrator rather than to the Minister", as currently practised, in the case of those who have "violated the Sport Canada anti-doping policy" and committed other infractions.

In general, the Dubin inquiry was critical of the scope of existing procedures in this area, arguing that they are inadequate from the following standpoints: generally speaking, limited and/or inconsistent means exist in sporting governance to investigate allegations, suspicions or evidence of involvement with banned substances.

Appeal, arbitration and investigation procedures are limited. At present, the conduct of athletes alone is considered. Offences by support and other directly related sport personnel, coaches in particular, are not defined, and hence subject neither to investigation nor sanction.

At present, there is no uniform, objective method by which athletes or others may receive a fair hearing on doping or other sport related issues. In most cases, current arbitration, to the extent it exists, is deal with "in-house" by the national sport-governing bodies.

[*Translation*]

While the Dubin Inquiry on the appeal, arbitration and investigation processes dealt essentially with doping infractions, the report section devoted to the athletes' rights clearly reflects a concern for sport related disputes generally. Beyond doping infractions, the wide variety of rules which govern the behaviour of amateur athletes are not currently subjected to a standard dispute resolving mechanism.

As I said, Mr. Speaker, the need to adopt a new dispute resolving approach in sport is clearly spelled out in the Dubin Report. The spirit of the motion we are dealing with today is certainly consistent with the

principle arising out of the report's recommendations and general recognition that improvements are needed in a great many areas of our sport system.

But, as I said, Mr. Speaker, this system involves many parties which all have a part to play in bringing about these improvements and whose lack of participation to the process would minimize the chances of significant changes. Fully aware of this fact, the Minister of State will live up to the commitment he made in August to carry out large scale consultations.

[*English*]

At the same time, the Government of Canada must ensure that, in reviewing options in this regard, it looks to those which are consistent with the complex provisions of the Charter, human rights and administrative law. It is generally recognized that input from the sport community must be balanced by considerations to be provided at an appropriate point in time by legal experts. The sport community is aware of this and I am sure hon. members will welcome this assurance.

In closing, I want to congratulate the hon. member for having made his motion and having given this House the opportunity to debate its merits. There is no doubt that the issue is a timely one.

Still, I am convinced that the honour member's well known sense of fair play and growing appreciation for the development of a unique sport system here in Canada have persuaded him that it would be irresponsible to pre-empt the consultation process in which the Minister of State is currently engaged. Today's debate makes an important contribution to the many viewpoints which are currently being expressed on a wide range of issues, arbitration being a critical one.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I welcome the opportunity to speak on this motion presented by my colleague, the member for Victoria. I would like to commend him for bringing this motion forward, as I believe it is a very important issue to amateur sport in Canada and is deserving of the government's attention.

This motion requests that the government should consider the advisability of establishing an independent review process whereby disputes between athletes and sport organizations can be resolved, with powers to investigate and direct such remedies as deemed appropriate.

For the Canadian amateur sport system to proceed in an equitable manner, our athletes require mechanisms that will afford them rights similar to those enjoyed by the remainder of Canadian society.

The matter of an independent review and arbitration process for athletes is a relevant issue today, especially in light of the findings and recommendations of the commission of inquiry into the use of drugs and banned practices intended to increase athletic performance, which was headed by Chief Justice Charles Dubin.

However, we are not debating today particular athletes' guilt or innocence, or the Dubin report itself. We are considering the rights of athletes. They require certain definable rights which would, for example, provide them with the right to challenge through an independent arbitrator, suspensions or other disciplinary actions imposed on them by sport organizations, the right of an independent appeal procedure or their rights in relation to national team selection.

In his report, Chief Justice Dubin pays considerable attention to athletes' rights. To him, the rights of an athlete should be respected. He goes on to state:

> It is apparent, that athletes have a number of areas for potential disagreement with their sport-governing bodies, including not only doping infractions and eligibility to compete, but also a broad range of rules that govern the conduct of amateur athletes. At present, there is no uniform method of resolving these disputes.

To address this problem, Chief Justice Dubin in recommendation No. 38 of his report suggests that:

> All national sport-governing bodies establish within their own rules a grievance process through which athletes may receive a fair hearing from the sport governing body itself, including a mechanism for arbitration by an independent arbitrator mutually acceptable to the parties.

In this recommendation, one can see the importance Justice Dubin attaches to providing for athletes' rights within the Canadian amateur sports system.

[*Translation*]

Mr. Speaker, our society has high regards for individual rights, and rightfully so. It follows that similar rights should be extended to athletes and that amateur sports should provide them at least with access to protection and remedy.

I suggest that sport-governing bodies understand that they must provide their athletes and trainers with an adequate appeal procedure mechanism based on natural justice. That is only fair, because the interest and welfare of the athletes and trainers must be first and foremost in the minds of sports organization.

[*English*]

Obviously, there are many questions as to what format athletes' rights should take. Arriving at the right formula will require viewing a number of proposals. One that has been considered is a bill of rights for athletes. This proposal has gained a following with some in the amateur sport community and is worthy of further consideration.

As I have said, Chief Justice Dubin has indicated his support for a grievance procedure and independent arbitration for athletes. I think that they could mirror similar systems that are operating within organizations in the private and public sectors.

Whatever independent review and arbitration process is eventually devised, it has to come from discussions between athletes, coaches, national and provincial sport bodies and also the federal and provincial governments. I include governments because I believe there is a role for them to play in the formulation of such a system.

I believe that given the issue of athletes' rights, it would be beneficial to have government involved in the discussion stage on shaping an acceptable system. I think that a joint, consultative process is necessary in order to examine the frameworks which currently exist outside of sport before settling on any particular model. With governmental assistance, the question concerning how to enforce athletes' rights could also be resolved.

• (1730)

The formulation of an acceptable system to deliver what is required will depend in large part on the work of athletes, coaches, and the sport-governing bodies combining to develop what best meets the needs of the athlete. Settling this issue will of course require a significant amount of co-operation if the final product is to work and show athletes that their rights are being protected and not just simply appearing to be.

[*Translation*]

Mr. Speaker, the abuse of banned performance enhancing substances has had a serious impact on our athletes and on amateur sports in Canada. Nothing should be done to block the efforts to stop this drug abuse. The elimination of this threat against the health of the athlete and amateur sport in general is a major objective for all those who sincerely care for amateur sport.

[*English*]

It is, however, important that there be procedures in place that will offer assistance to amateur athletes in defending themselves. Athletes should have access to due process and independent arbitration. Whether the issue involves drugs or team selection, the fact is that athletes deserve to have their rights protected and to have these rights defined.

Certainly, without a system to assist athletes, they are lacking the support they require to become the best that they can be in their chosen sport. A failure to arrive at a system of athletes' rights would be detrimental to both the athlete and to amateur sport in Canada.

In its report entitled *Towards 2000: Building Canada's Sport System*, the task force on national sport policy recommended to the government in August, 1988, that it should:

> Ensure that actions and decisions affecting athletes (selection, discipline, carding, negotiation of athlete contracts, anti-doping measures, etc.) are conducted in accordance with accepted standards of due process and natural justice.

I believe that this recommendation is right on the mark. I hope that the government will act and come forward to assist in developing such a system within amateur sport.

In responding to Chief Justice Dubin's report on August 9, 1990, the Minister of State for Fitness and Amateur Sport said:

> The development of an appropriate independent appeal mechanism will be addressed in the fall.

While this statement dealt with particular athletes named in Chief Justice Dubin's report, a uniform appeal process for all athletes would be a logical extension. I believe there may be a willingness on the part of the minister to assist in the development of an independent appeal process for the entire amateur sports community in the near future.

A number of national sport organizations have some form of appeal process and grievance procedure available for their athletes and coaches. However, it would be desirable to have a uniform system throughout the amateur sport community.

On October 4, 1990, the sub-committee on fitness and amateur sport unanimously adopted a motion requesting the Minister of State for Fitness and Amateur Sport to permit one of the coaches mentioned in Justice Dubin's report to appeal the action recommended to be taken against him by Justice Dubin in his report. The motion stated:

> That the Sub-Committee ask the Minister of State (Fitness and Amateur Sport), to establish an independent arbitration into the case of Mr. Kulesza, if he applies for arbitration.

I hope that our adoption of this motion signals to the minister that there is a need to obtain a uniform system within the amateur sport community that will aid athletes and coaches to deal with problems that arise in their respective sport bodies. The federal government should now come forward and help in developing such a system.

In conclusion, Mr. Speaker, I believe that our amateur athletes and coaches should obtain a uniform and independent review and arbitration process to settle disputes between them and the respective sport organization. I call upon the government to offer whatever assistance necessary in bringing this about. By helping to create such mechanisms, the government would be acting in a positive manner and also assisting in accomplishing the goal of providing fairness and equity in the Canadian amateur sport system.

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, thank you for allowing me to take part in this important debate on the motion put forward by the hon. member for Victoria.

We on this side of the House are well aware of the hon. member's interest in amateur sports in the country and we thank him for his work on the parliamentary sub-committee on fitness and amateur sport.

The hon. member's motion calls on the government to consider the advisability of establishing an independent review and arbitration process whereby disputes between athletes and sports organizations can be resolved, with power to investigate and direct such remedies as deemed appropriate.

Before commenting directly on the motion, I thought it might be useful to bring hon. members up to speed on the international situation with respect to sport arbitration and appeals.

There are basically two types of mechanisms in place for the review of disputes about the actions of international sport bodies.

First, there is an appeal arbitration process within international sport federations to resolve disputes among members, national federations, or between a member national federation and the international body.

For example, a national federation might dispute the action taken by the international federation in the awarding of the rights to an international championship event. In this case, the national federation could ask for the dispute to be submitted to the arbitration process established by the rules of the international federation.

In addition to disputes involving national federations, some international federations insist, through their rules, that each national federation set up an arbitration mechanism to deal with disputes between national federations and athletes.

In the case of disputes between an athlete and the international federation, the dispute may be brought forward to the arbitration panel of the international federation.

Usually, there are limits as to what can be brought before the arbitration panel of an international federation. In general, doping-related issues and eligibility matters are what the international federations are prepared to deal with, that is, subjects where penalties are automatically invoked by the international federation if guilt has been established.

It should be noted that not all international federations have clear rules concerning arbitration, although increasingly it is the case that they do. For example, the International Amateur Athletics Federation, the world governing body for track and field, has extensive rules on its arbitration panel.

The second type of mechanism for settling disputes in the international domain is the International Olympic Committee's Court of Arbitration for Sport. This mechanism, in theory, will deal with a wide variety of disputes

involving virtually any agency or individual who has a sport grievance.

However, in reality, the number of cases brought before the Court of Arbitration for Sport is quite small, probably fewer than 30 cases since the mechanism was created in 1984. This is mainly because the Court of Arbitration for Sport generally insists that other avenues of appeal and arbitration be exhausted before the resolution through the CAS is invoked, providing, in a sense, a court of independent final appeal.

It can be expected that the Court of Arbitration for Sport will be used more frequently in international sports in the years ahead, as athletes and others become more aware of avenues of appeal and dispute resolution that have been established and more litigious in their outlook generally, based to some degree on the expanding commercial elements associated with amateur sport.

Over-all, Mr. Speaker, one can conclude that many international federations have dispute resolution mechanisms. Such mechanisms to consider appeals of rule application decisions are very well established, in the form of juries of appeal, which operate at virtually every sport event and have been in place for many, many years. Other non-competition grievances, that is, issues which do not have to do with the conduct or outcome of competition, are being established, with most international federations having a mechanism of some sort.

As hon. members know, the issue of arbitration process for sport was clearly addressed in the report of the Commission of Inquiry Into the Use of Drugs and Banned Practices Intended to Increase Athletic Performances, otherwise known as the Dubin report. The Dubin report makes 10 recommendations on the need for improved appeal, arbitration and investigative procedures in relation to doping in sport.

While the Dubin recommendations on appeal, arbitration and investigation deal primarily with doping infractions, the section of the report focusing on athletes' rights does express concern for sport-related disputes generally. And the need for a new approach in sport to arbitration is clearly spelled out.

• (1740)

This brings me to the motion before us today.

Certainly, the spirit of this motion is consistent with the principles enunciated in the Dubin recommendations and the general recognition that improvements are needed in many areas of our sport system.

But, as the Minister of State for Youth, Fitness and Amateur Sport indicated in his August 9 statement, there are many players in the sport system, all of whom share a role in bringing about improvements and without the input of whom there will be little opportunity for real change.

As the minister said at the time, the government is spending this fall, consulting widely on the Dubin report. I can tell you, Mr. Speaker, that the issue of appeal, arbitration, and investigation processes is an important part of the consultations.

Recently, the minister circulated a discussion paper on doping-related matters that includes a whole section on this area. It will form the basis for dialogue with the national sport organizations and other interested parties. The minister expects to respond before the end of the year.

In the meantime, it would perhaps be inappropriate to support the hon. member's motion and possibly, pre-empt this consultation process.

In closing, Mr. Speaker, I want to thank the hon. member for bringing this issue forward and giving the House an opportunity to debate it. Today's debate makes an important contribution to the many viewpoints which are currently being expressed in the consultation process.

Mr. Ken Monteith (Elgin—Norfolk): Thank you, Mr. Speaker, for the opportunity to speak to the motion put forward by my hon. colleague.

The theme of fairness and due process for athletes is embodied in this motion which calls for an independent review and arbitration process, with power to investigate and direct such remedies as may be appropriate. Certainly this is a theme which the government is supporting and encouraging in its consultations with national sport organizations and others.

I am sure hon. members can appreciate that there are many generic questions which need to be seriously

addressed in trying to reach a consensus on the future shape of any system encompassing appeal, arbitration and investigative procedures.

A fundamental question centres on the scope and mandate of the processes, mechanisms and procedures envisaged. In this regard, I note that the hon. member's motion focuses on disputes between athletes and sport organizations. There is no doubt that athletes are the first affected group to come to mind, but that is not the only group.

Coaches, for example, are intimately involved in the day-to-day operations of sport. We have had more than ample evidence this year that the rights and responsibilities of coaches can be areas of real dispute.

One need only recall Mr. Daniel St. Hilaire, a track and field coach, and his complaints about the national team selection process for the 1990 Commonwealth Games in Auckland. This well publicized and controversial case demonstrated the significance of dispute resolution in the area of coaches' rights.

Coaches' responsibilities were also the subject of well publicized and controversial testimony during the Dubin inquiry. In the end, Mr. Justice Dubin concluded that there is a need for national sport-governing bodies to establish mechanisms in this area. In short, I believe a legitimate case can be made here for expanding the categories of persons affected by arbitration processes beyond those immediately prescribed in today's motion.

Apart from the question of defining whose disputes are to be dealt with under any new arbitration process, there needs to be careful consideration of the nature of complaints allowed. The open-ended wording of today's motion implies a process for dealing with disputes generally, regardless of their nature. Indeed, this appears to coincide with the sort of resolution mechanism envisaged by Mr. Justice Dubin where he refers to disputes involving "the broad range of rules that govern the conduct of amateur sport".

Whether, in the final analysis, the mandate of an arbitration process were to be very broad in nature is something that needs careful consideration. Clearly, mandate issues must be defined before informed decisions can be made about their viability from an operational, financial and human resource standpoint. Once questions concerning the scope of arbitration processes are defined, presumably the next major question to resolve is whose responsibility it is to provide them.

The motion of the hon. member for Victoria makes what many may consider a giant presumption in that regard. It states that "the government should consider the advisability of establishing" a review arbitration process with investigative powers. What about the responsibility of the other players in the sport system? What about the recommendations in the Dubin report which, while clearly pointing out a need for changes in the current federal appeals procedure on funding sanctions relating to doping infractions, also points to the sport-governing bodies.

I think it is fair to say that the likelihood of success in implementing an effective arbitration process will depend on the degree of "ownership", as the minister's discussion paper terms it, which national sport organizations accept in the regulation of their respective jurisdictions. For example, today's motion calls for an "independent" process but independent in relation to what and to whom?

At this stage we need to think further about this concept, not in the sense of questioning the need for absolute fairness and due process but rather in the structural and organizational sense.

Again, the minister's discussion paper puts the question succinctly: In what circumstances should the provider of the appeal arbitration and investigative service be individual national sport organizations, or a central agency or a co-ordinated effort by both? Insofar as doping infractions themselves are concerned, the Dubin report appears to see the investigatory side of the process at least as a co-operative venture requiring the participation of both an expanded central independent agency capacity and concerned national sport organization.

Earlier I alluded briefly to appeal procedures for federal funding sanctions imposed on athletes who have committed doping infractions. Obviously this is one element of the current system which falls within the government's jurisdiction and one which the federal government is asked to address in the context of recommendation 42 of the Dubin report. That recommendation calls for the right of appeal to an independent arbitrator as opposed to the Minister of State for Fitness and Amateur Sport on the question of entitlement for direct federal funding.

• (1750)

As is the case with respect to review processes which may take place currently within national sport organizations, or the Sport Medicine Council of Canada, there are many questions to resolve in relation to federal sanctions arbitration. These include, among others: the parties eligible for sanction; the number and qualification of arbitrators; the means by which arbitrators are appointed and their role and jurisdiction; whether or not there would be power of subpoena available to the parties from the arbitrator; and, the public interest in having the proceedings strictly private or open to public viewing, and so on.

Clearly these are complex issues which require a great deal of consideration by the Government of Canada in developing proposals for any new federal sanctions arbitration procedure.

But that is but one discrete aspect of a broader arbitration system and it would be premature and indeed irresponsible for the government to act upon today's motion unilaterally, as if it were the sole authority in this area. It is not.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Victoria.

Mr. Brewin: Mr. Speaker, the three government members who have already spoken to date have all persistently said that this resolution should not be considered because it would be premature. Yet all three speakers have said that the government is now considering the very matter which is embodied in this resolution.

The Acting Speaker (Mr. Paproski): That is debate. The hon. member for Lévis has the floor.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on April 10, 1989, the hon. member for Victoria put the following motion on the Order Paper:

> That, in the opinion of this House, the government should consider the advisability of establishing an independant review and arbitration process whereby disputes between athletes and sports organizations can be resolved, with the power to investigate and direct such remedies as deemed appropriate.

Mr. Speaker, I am pleased to join in the debate on the motion of the hon. member for Victoria. When the hon. member suggests in his motion that the government should consider the advisability of establishing an independant review and arbitration process whereby disputes between athletes and sports organizations can be resolved, with power to investigate and direct such remedies as deemed appropriate. I imagine he is referring to the current situation with respect to appeal, arbitration and investigations in the Canadian sports field.

Mr. Speaker, before dealing with the appropriateness of the motion of the hon. member for Victoria, I should like to say something to my colleagues about the situation concerning recourses to appeals, arbitration and investigations just so they will have a better understanding of the whole issue.

That is what I should like to explain during the few minutes at my disposal.

For openers I notice that the motion under consideration does not say anything about appeal proceedings, yet I would suggest they are just as important as arbitration proceedings and the power to investigate.

In any case allow me to describe the context of current appeal and arbitration proceedings related to drug offences. In simple terms, the system includes three main components.

First we have the Canadian Academy of Sport Medicine. This body considers appeals filed when samples are taken, when sample B is opened and following a positive reading on sample B

If an athlete accused of an infraction to the antidoping rules so request after Sample B tested positive, the Council has full authority to activate the arbitration mechanism.

Surely you will have understood, Mr. Speaker, that these mentions of Sample B imply that a Sample A had first tested positive, the results of Sample B confirming simply those of Sample A.

Then, there are the national sport-governing bodies which hear appeals based on internal rules and procedures.

Finally, there is the Federal Government which, through its Minister of State (Fitness and Amateur Sport), which hears the appeals concerning the re-establishment of government financing eligibility.

If I may, Mr. Speaker, I should like to return to the Sport Medicine Council. This organization, together with Sport Canada, published in July of this year a document dealing with the operation of standardized

doping control methods. In the section devoted to appeal procedures, there is a list of various steps to take.

This section describes the procedures which an athlete must follow to submit a grievance after having tested positive, the steps to be taken concerning an appeal and arbitration procedure which includes the holding of meetings with the arbitrator, as well as provisions dealing with the communication between the arbitrators and the parties and those concerning the hearing. Which means that the parties involved in the development of these methods will have to review them in the light of Justice Dubin's recommendations.

I should like to elaborate now on the situation which exists within the national sport-governing bodies I mentioned earlier.

Mr. Speaker, most national and provincial sport-governing organizations in Canada already have dispute settlement procedures which make it possible for the athletes and the public in general to appeal their decisions.

Generally speaking, these arbitration procedures put together by the various organizations could be criticized for their lack of independence, because they were set up by the very organizations whose decisions are being appealed. These procedures, however, are generally considered as quiet objective and fair.

The problems as to their impartiality arise when the grievance by an athlete or somebody else is directed at the very organization which has ruled on the original decision. It should be said that most national and provincial sport-governing organizations recognize this weaknesses, and often submit the dispute to another panel within the same sport organization.

However, organizations that are more sensitive to the basic question—probably a minority right now—submit the case to a group made up of people partly or entirely chosen by both sides, as is the case in arbitration.

Delving deeper into the subject, Mr. Speaker, I want to deal now with the various types of grievance, appeal and arbitration procedures currently in use in the Canadian sport system.

Such procedures include appeal panels whose responsibility consists in reviewing the decisions made by officials and other persons concerning the management of a sporting event. There are also arbitration and appeal procedures which the interested parties may follow to contest decisions made by a sport organization, for example concerning the eligibility of an athlete to compete when he has been the subject of allegations that he might have breached the amateur rules governing the sporting activities involved.

There are also appeal procedures—

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. member—

[*English*]

The time provided for the consideration of private members' business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, during Question Period on June 7, I asked the energy minister a question regarding his commitment to reducing CO_2 emissions. Specifically I asked him whether he endorsed the commitment by his colleague, the Minister of the Environment, to stabilize Canada's carbon dioxide emissions for the year 2000.

The energy minister brushed off my question, referring to *The Green Plan* consultations, so in my supplementary question I asked him again whether he agreed to the environment minister's plans and whether he as energy minister had a plan to make these reductions possible. Again he brushed off my question.

It is because I did not receive a satisfactory answer on June 7 that I am back again this evening trying to get a straight answer either from the minister or the parliamentary secretary.

I think this question is very important because, as we all know, greenhouse gasses contribute to global warming, the gradual heating up of the earth. Canadians want to know and have as right to know what this government's policy is on this issue.

The all-party environment committee released an interim report yesterday on global warming. I want to quote one paragraph:

> Given that human-sourced carbon dioxide emissions are the principal contributor to (global warming), and given that society's use of energy is the largest factor in this CO_2 generation,—energy policy making must have as its immediate focus the more efficient and conserving use of energy.

This certainly is in line with the 1987 Brundtland commission report which says that energy strategies must be aimed at achieving sustainable development.

When the present environment minister of this government endorsed the commitment made by the previous environment minister to stabilize CO_2 emissions by the year 2000, it seemed the most logical question at the time was to find out whether the energy minister agreed with him. After all, it would be up to the energy minister to come up with a plan to use less energy and to use it more efficiently.

I put the question to the energy minister on June 7, and I got the brush-off. I had also put this question to the Acting Prime Minister on May 25. While the government at that time confirmed the commitment of the environment minister, the question of how the energy minister stood on this issue was left unanswered.

Recently details of the energy minister's new energy efficiency and conservation plan have been released. That is a plan that had been promised as a replacement for all the cuts that this government had made to alternative energy and conservation since 1984.

Canada had been a world leader in energy research, especially in conservation and alternative energy, until this government came to power.

In 1983 the previous federal government spent almost $500 million. Under this government spending has dropped to approximately $40 million—

Mr. Crawford: Disgraceful.

Ms. Callbeck: —a 90 per cent cut in alternative energy and conservation. This government also closed 12 regional conservation and renewable offices, including one in my province located in Charlottetown. It also has greatly reduced its contributions to cost shared alternative energy programs with the Government of Prince Edward Island.

A lot was expected from this plan that we found out about recently. However, when the plan's contents were revealed, it became clear that carbon dioxide emissions would actually increase, not decrease, between 8 per cent and 17 per cent by the year 2000. That is certainly a far cry from the commitment made by the Minister of the Environment to stabilize CO_2 emissions by the year 2000.

The question is: Who speaks for the government? Is it the Minister of the Environment who says one thing or the energy minister whose new action plan says something very different? I would also like to know what the energy minister meant when he said in August that Canada should lead by example in reducing CO_2 emissions.

The new plan the minister has released is a far cry from the commitment of the environment minister. It is even further from the recommendations of the environment committee, and still further from commitments made by countries like West Germany, Denmark and New Zealand.

What does the minister mean when he says we should lead by example and he draws up a plan that fails to do so? Why can't these two ministers agree on government policy? The Canadian public—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to have the opportunity to address the concerns of the hon. member for Malpeque today.

The government has agreed with the need to address the issue of global warming, which is caused by an excessive production of greenhouse gases including carbon dioxide. It was for this reason that the Government of Canada joined with other countries on May 16 at Bergen to establish a national strategy, targets and schedules to limit, stabilize or reduce carbon dioxide emissions and other greenhouse gas emissions as much as possible.

Canada joined with the majority of the ECE, United Nations Economic Commission for Europe, in expressing the view that such stabilization at the latest by the year 2000 and at present levels must be the first step.

Obviously all ministers of the Government of Canada accept the undertakings formally made at the international forum without underestimating the significance of targets that may be agreed upon internationally. The more relevant question concerns what specific actions we are prepared to take to reduce greenhouse gas emissions.

The government recognizes the importance of this issue, and it has a process in place to deal with it. During the spring and summer it held consultations with stakeholders in all parts of Canada to obtain advice on this and other environmental issues. It is now in the final stages of preparing its green plan which will be published later this year. The Minister of Energy, Mines and Resources and his officials have been working very closely with the Minister of the Environment in the development of the plan. The plan will set out a number of significant measures to reduce carbon dioxide emissions. These will include measures to improve energy efficiency and to develop alternate sources of energy.

These measures will be concrete steps which the federal government will take to address the issue of global warming and carbon dioxide emissions; but the federal government is only one of the several actors involved. If Canada is to achieve a national emissions target it will require a national effort. Our provincial colleagues also have important areas of jurisdiction in terms of energy matters. Their contributions will be vital to achieving emission targets. Municipalities can play an important role and the industry's full participation will also be necessary. Last but not least will be the actions that every Canadian can take in addressing the issue of global warming.

It has been an honour for me to address this question.

• (1810)

SEXUAL DISCRIMINATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise to pursue a question which I asked in this House on March 8, 1990 of the Minister of Justice.

At that time I asked the Minister of Justice when the Conservative government would finally keep the promise that was made over four years ago to take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction.

That was a commitment or a promise that was made to all Canadians; not just to lesbians, gay men and bisexuals in Canada but to all Canadians. I would point out that there is serious discrimination in Canada on the basis of sexual orientation.

Indeed the Canadian Human Rights Commission has noted, in its annual report of earlier this spring, that the government's indifference in this regard has contributed to a very serious increase in the level of homophobia and marginalization in our society.

The Canadian Human Rights Commission went on to state that further delay in the amendments that were proposed to the Canadian Human Rights Act would surely bring into serious question the federal government's commitment to human rights principles.

In hearings before the Standing Committee on Human Rights and the Disabled later in the spring the Minister of Justice indicated that in fact she would be tabling a package of amendments to the Canadian Human Rights Act this fall, some four and a half years after the original promise was made.

As well, the government promised sometime ago—and I am speaking now of the former Minister of Justice, the hon. member for St. John's West who is now the Minister for International Trade—that the Canadian Human Rights Act would be amended to incorporate the principle of reasonable accommodation, which has been described by the Coalition of Provincial Organizations of the Handicapped as one of the most important, if not the most important the most pressing, human rights issue facing the disabled. That is to be part of this package of Human Rights Act amendments.

Now the fall is here and once again it appears that this government is afraid to move on a question of fundamental justice and equality.

This is not merely a question of words in an act. We are talking about human lives. We are talking about people being treated with dignity, respect, and full justice. We are talking about the reality of the lives of too many lesbians and gay men who are victims of violence, of gay bashing, and who are afraid to report that to the

police, because if they do and it becomes public they risk losing their jobs. They risk rejection from their friends and family. It is only by effective human rights amendments that people will not have that fear of losing their jobs.

We know as well that the Canadian Armed Forces continues to discriminate against qualified and indeed outstanding men and women in the forces who happen to be gay or lesbian. These policies which are cruel and inhumane have caused tremendous pain and suffering for far too many members of the Canadian forces. For those who have been forced out, it shatters their lives. Others continue to live within the Armed Forces but live in fear that this essential part of their humanity is somehow going to be disclosed and their lives destroyed after many years of service.

Fortunately these policies of the forces are being challenged in the courts. Former Second Lieutenant Michelle Douglas, an outstanding officer described as one of the finest officers her commanding officer had ever seen, has had the courage to challenge the forces in the courts. Derek Dwyer, another young officer is similarly challenging this policy.

They should not be forced to the courts. Justice surely compels this government to end these policies which are so discriminatory.

The ad hoc committee on AIDS of this Parliament unanimously and strongly urged this government to keep the promise to amend human rights legislation to prohibit discrimination based on sexual orientation as a top priority.

The committee pointed out that failure to amend the legislation in this way would clearly impair the effectiveness of strategies to combat this terrible epidemic.

Finally, Mr. Speaker, I want to briefly deal with the question that was raised earlier this week by the comments that were reported by the chairperson of the standing committee on the disabled, the member for Oxford. He indicated that the government and some Conservative backbenchers are afraid to proceed on amendments to the Human Rights Act because they do not want to open up this question of sexual orientation. They are prepared to deal with the disabled, but God forbid that they should have to deal with equality and justice for lesbians and gay men in this country.

We are not talking about strangers. We are talking about our brothers, our sisters, our sons, our daughters, the people with whom we work, our neighbours. For God's sake, Mr. Speaker, I appeal to members of this House and to the government, and through the members of the government that are here in the House today, to finally keep the promise that was made, a promise that was made in response to the unanimous recommendation of an all-party committee to ensure justice and full equality under the Charter of Rights to all Canadians in this country. The time is long overdue for action.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the hon. member for Burnaby—Kingsway has asked when the amendments to the Canadian Human Rights Act will be moved to give effect to the government's commitment to prohibit discrimination on the grounds of sexual orientation.

As noted by the hon. member, the government stated in *Toward Equality*, in response to the report of the parliamentary subcommittee on equality rights that it will "take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination in relation to all areas of federal jurisdiction".

The hon. member noted the length of time that has passed since *Toward Equality* was tabled.

[*Translation*]

I would like to explain that the government has undertaken an in-depth review of the legislation. Sexual orientation is one of the many important issues now under consideration. Others include, for instance, the question as to whether human rights legislation should have precedence over other federal laws. We are also considering the possibility of introducing in the legislation the concept of reasonable accommodation, the abolition of mandatory retirement. It goes without saying that the government's decision on these issues is bound to have a strong impact on the lives of Canadians and, more generally, on our society as a whole.

[*English*]

However, there are many groups involved in the process, each putting forward a great diversity of concerns. Some of these concerns will be difficult to reconcile but the government is, and will be, working expeditiously to do this. The review of the act continues at this time.

Officials of the department are working hard to put together proposals that will resolve the outstanding issues, meet the concerns that have been expressed so far and at the same time uphold the integrity of the commitments already made by the government.

In closing, I think it is important to emphasize that as the government had predicted in *Toward Equality*, the courts have found so far that sexual orientation is encompassed by the guarantees of section 15 of the Charter. While the Charter does not apply to the private sector, these judicial decisions offer a significant degree of protection against legislation that would discriminate on the basis of sexual orientation.

ROUTE CANADA

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, on June 18, I asked the Minister of Finance this follow-up question to a question I had asked a few days previous when he invited me to visit the trustee in bankruptcy with respect to the sale of Route Canada to Transport Route Canada Incorporated. After visiting the trustee in bankruptcy I said:

> I am more convinced after spending at least three hours with the trustee that the 1,900 employees of CN Route never had a chance. They were doomed from the day the deal took place.

The minister answered that the company had been losing between $40 and $50 million a year. CN had to make a decision. They either had to shut down and terminate the jobs of the employees or sell the company as a going concern to the Fingold brothers.

• (1820)

That reply brings us here today because it was unsatisfactory because of the words, "it was sold as a going concern." We on this side of the House have been attempting to get a complete and total review of this particular transaction, that is, the sale by CNR of its transportation arm, CN Route Canada, to the group of investors in Toronto, the Fingold brothers and a person by the name of Manfred Ruhland.

We are constantly debating whether or not it was sold as a going concern. Let me advise those on the other side of the House that we will not give up on this debate until we have some satisfaction for those 1,900 workers who are affected by this terrible sale by CNR to these investors from Toronto.

As a result of that meeting and our follow-up on this side of the House, we have been trying to get before the Standing Committee on Transport a resolution and a motion passed that would allow all members of the House to review in complete detail the offer of purchase and sale and all particular matters as they pertain to this particular transaction. The one and only emphasis will be to protect the rights of those 1,900 people who were terminated who were former employees of the CNR and CN Transport. They were transferred to this new corporation and their rights were not protected in that transfer.

Let me bring those who are listening throughout Canada up to date. As of this morning, Thursday, October 18, there was a meeting called of the Standing Committee on Transport. The purpose of the meeting was to elect a chairman, since the chairman had resigned in the past week. The other matter to be discussed today at that standing committee was resuming consideration of my motion, pursuant to Standing Order 106. We wish to review the sale of CN Route Canada by Canadian National Railways to Transport Route Canada Inc., and the several other incorporated companies either involved in the sale or amalgamated as a result of that sale.

What happened at 9.30 this morning is something that I had never seen before at a committee meeting. The members of the Conservative Party that were on that committee failed to show up. In essence, the committee lacked a quorum and those items that were under consideration, particularly the item on the agenda that I just read, could not be addressed, could not be followed through, could not be voted on. As a result of further delay, those ill-affected employees are not being helped. This is another way to try to get this government to do something in the best interests of those employees and something that it is legally bound to do. It is morally bound to look after those employees of CNR.

By way of background, in 1986 CN Route sold its trucking arm to a company called Transport Route Canada Inc. Three people bought it for a sale price of

$29 million. We have, through our investigative process, been able to ascertain that the 36 valuable property locations in this country had been appraised at about $80 million and the rolling stock that they acquired in that transaction was appraised at approximately $23 million. That adds up to $103 million, which was the value of this company. The transport arm of CNR was worth $103 million and it was sold for $29 million.

These investors operated this company only 20 months declaring bankruptcy, and the unsecured creditors amounted to $65 million. Now if we have our arithmetic correct what it amounts to is $80 million plus $23 million, minus $29 million, which leaves $139 million that is missing in 20 months—almost $7 million a month. What we are trying to do on this side of the House is find out where that money went so that we can benefit the employees that were directly affected.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, my first response to my friend opposite would be with respect to the transport committee meeting. I gather that the whole question relates to the Whip's report setting out the new membership of the committee, and the three parties cannot agree on that. I guess until they can agree on it it is very difficult when chairman has resigned.

With respect to the CN Route case I really appreciate the opportunity to be able to put some facts on the record that might help my friend a bit. I would remind him that the employees' transition package was negotiated by their respective union representatives.

Employees affected by the downsizing of the new company were given termination benefits three to four times their entitlements under the Labour Code and their own collective agreement.

CN Route was costing the taxpayer, his constituents and mine, $30 million to $40 million every year. CN had two options—surely it should not have to carry on and keep the taxpayers on the hook for $30 million to $40 million in perpetuity. It had an option to sell it as a going concern or simply shut it down.

The fact is that the vast majority of the employees were much better off with two additional years of employment than they would have been had CN Route been shut down.

This government has lived up to its responsibilities in this matter, as indeed it would in any other private sector bankruptcy.

My friend opposite knows that if the NDP had anything to do with it, everything would be subsidized forever as if money fell out of the trees, but those of us who have both feet on the ground know that that cannot carry on.

Labour Canada did a payroll audit to determine employee entitlements by way of pay and benefits under the Canada Labour Code. Labour Canada then took action which resulted in vacation pay to the level specified in the Canada Labour Code, and wages owing being paid to employees shortly after Route Canada shut down.

Labour Canada also apprised the company of severance pay and pay in lieu of notice owing to employees and, upon Route Canada being declared bankrupt, sent the information to the bankruptcy trustee.

The Office of the Superintendent of Financial Institutions took action in the summer of 1988 to bring its pension plan payments up to date and on September 16, 1988, terminated the Route Canada pension plan to protect employee entitlements.

At the time of the bankruptcy Route Canada owed, but had not yet been billed for, about $600,000 in pension plan payments. As a result of actions of OSFI and the plan's administrator, Crown Life, Route Canada's principal secured creditor, the Royal Bank, has agreed to make the payment. The shortfall in payments did not have any effect on payments to pensioners.

Employment and immigration established and funded employment adjustment committees where requested to do so by employees.

Transport Canada assisted independent truckers under contract to Route Canada in getting re-established with other companies. It also facilitated the establishment of an inter-city company by those owner-operators who wished to start up such a service.

The powers of the Superintendent of Bankruptcy, under the Bankruptcy Act, came into play once Route Canada was declared bankrupt. The Superintendent of Bankruptcy immediately issued an investigation order to the RCMP in view of the allegations surrounding the bankruptcy.

That investigation is ongoing and I believe that it is not appropriate to make any further comment in that light.

The Acting Speaker (Mr. Paproski): Pursuant to order made earlier this day the adjournment motion is deemed withdrawn.

GOVERNMENT ORDERS

[*English*]

IRAQ

INVASION OF KUWAIT

The House resumed consideration of the motion of Mr. Clark (Yellowhead) (p. 13232), the amendment of Mr. Axworthy (Winnipeg South Centre) (p. 13240), and the subamendment of Ms. McLaughlin (p. 13244).

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I am pleased to join in the debate. First of all I want to make very clear that I really do not support the motion before us, except in so far as that this House condemns the invasion of Kuwait by Iraq. As an individual member representing my constituents I do not need to be encouraged by "unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait". I would take that as a matter of course and I would think most hon. members of the House would think likewise. One cannot tolerate aggression, no matter where it occurs and no matter by whom.

• (1830)

As many hon. members have pointed out in the debate so far, we have very selective memories and very selective applications of a moral high ground that we apply with respect to Iraq and Kuwait. This, by no means, should be taken or misconstrued as any kind of support, indirect or direct, for the actions of Iraq and its leader.

There are two points at issue. The first is what this government did without consulting the House when the action erupted in the Middle East, without consulting citizens of Canada through their representatives in the House of Commons, without so much as giving this Parliament an indication that it had a right to be involved in actions that could precipitate the world into a conflagration matched only 50 years ago.

I have seen members of the House speak with conviction, almost with rage, on this motion. Why? Because it seems so much like residents of a house of ill-repute discussing the virtues of chastity and abstinence and, perhaps, prevention, all after the fact.

There is an enormous lack of legitimacy behind the government's initial decision to commit the Armed Forces of the country without immediately bringing Parliament back together to discuss what the government's intention should have been.

I point to the fact that this is not a question of the letter of the law being applied, but the intent of the law and a perception among the Canadian public and the global public that Parliament and Canadians had not been consulted before making a commitment that cannot be withdrawn at a later date. We seem to be missing the point that what we are doing is engaging in an academic exercise about whether it was right or wrong to get involved in the first place. Only one member, the hon. member for Trinity—Spadina, made a suggestion that perhaps we ought to consider something along the lines of withdrawal.

I was in Europe at the time of the explosion of this crisis. I anticipated being called back to the House to debate a matter of great urgency. I happened at the time to be a guest of the Commons of one of the main countries in Europe. All members who had gone on holiday were called back to debate what that country should do with respect to the crisis. The same thing happened throughout Europe. Members of Parliament were recalled because in their view a decision that was motivated by American interests in the area would involve all of Europe, maybe all the world, in an issue with which they had to have (a) prior thought and consideration, (b) an assessment of their interests, (c) an assessment of the development of the world interests as a result of their involvement or their abstinence and, finally, (d) the extent to which they wanted to commit the resources available to them in the alteration of the diplomatic, political, economic, and religious realities,

not only of that part of the world, but throughout the rest of the developed and developing world.

We did not have that opportunity here and it is to the great shame of the government for not having consulted with Canadians to do that beforehand and to put both opposition parties in a position where they have to produce amendments to suggest that perhaps there should have been other consultations and that perhaps the government's motion to this point not take the country in the direction in which it should have gone in the first place.

I might share for a moment or two some of the concerns of fellow parliamentarians throughout Europe, having listened and participated in some of that debate as an observer, a very intent observer at the time, as I say, because of the anticipation of being called back to Ottawa.

They were concerned that, in the event that there was not participation by European states and other states in activities that were developing in the Middle East that perhaps one very mundane consideration—the supply of oil resources to maintain the industrial power of the machinery both in Europe and elsewhere—might not be as secure. In fact, energy prices would increase immeasurably. Second, they were very concerned about the heightened Arab–Israeli tensions that might emanate. Third, they were concerned that Europe's participation in any deal with respect to the distribution of those resources could not be influenced by their absence. What would happen if they were involved? All we have to do is take a look at what has happened over the course of the last two months. Oil prices have increased. We have been given assurances, not excuses, but assurances by our energy minister that we could look forward to an additional 10-cent per litre increase in the price of gasoline at the pumps. We have had a redistribution of the economies already begun throughout the world.

They were concerned that there would be increased Arab nationalism. It is there. It is evident everywhere despite the alliance that the Americans appear to have built up. That there would be an exacerbation of east-west tensions is now a matter of fact. It is no longer a matter of speculation. That tensions between the Arab world and Israel would have risen, again, is a question of evident fact and no longer a question of speculation.

Did we consider those things before we made a decision to send our forces into the area? Did we consider what would happen to our economy if the supply of oil was going to be managed by either Arab residents of the area or American multinational oil interests? Did we consider that perhaps in neither case would our interest be served?

All we have to do is take a look at government action with respect to energy policy here today with the kinds of presentations that our energy minister is giving with respect to a very valuable resource for our industries. He is talking already about rationing gasoline and oil supplies. I cannot believe we live in a serious democracy any more. All he is doing is jacking up the price already at the pump and at the refineries.

That would be bad enough, if we had not taken into consideration as well that the government has become extremely insensitive to the evolution of its foreign policy.

This decision by the government runs counter to its normal practice. It reflects, as I said a moment ago, a policy inconsistent with regard both to timely consultation with Parliament and to defence and foreign policy.

In the past the government has felt it incumbent upon itself to recall Parliament immediately. We have seen it, as some of my colleagues on this side of the House have pointed out, a mere five years ago when there was a national crisis because 174 Sikhs landed on the shores of Nova Scotia. If it were not so tragic, it would be laughable.

Yet the government has started to remind us, and it will continue to do so—and I hope to call it to hon. members' attention—that the government will remind us that what led up to this situation with Iraq is in the past. We cannot change what is there, but I am sure colleagues will say: "Of course, but we can at least influence how we will act down the road."

The government is asking for full and unanimous support from the Canadian public for the placement of our forces in an area that is now in a state of war footing.

• (1840)

Cynics will say it is going to happen within a couple of weeks. The greatest of optimists are talking about containing, maybe restraining and retaining the level of conflict. We are putting our young men and women at

risk in an area where our interests have yet to be defined, whether they be moral, political, or economic.

The government does not want to address questions about why Canadian forces are positioned in the Persian Gulf within a war zone if war breaks out. It does not want to deal with who calls the shots—pardon the pun—for Canadian forces if war does break out, whether it will be the Americans, the United Nations, or Canadian personnel.

It does not want to address what Canadian forces are expected to do, if war does become a reality. Right now, the reality is that we are participating in a blockade that is intended to force Iraq to withdraw from Kuwait, or to force Iraq into a war with the United States. We are being asked to support blindly Canadian government initiatives in this regard.

The build up of American forces, analysts said three weeks ago, is costing the American government more than $1 billion per week. This is an indication that those soldiers were not put there because they requested a holiday.

Perhaps the main motives of why the situation in the Middle East developed to the state it has come is probably to be seen in analyzing American interests with respect to its own economic interest, its declining world political influence, and the emergence of a Europe in 1992 which might find itself much more independent of American influence globally, as well as in that particular area.

If the big question is the redistribution of economic power, if the big question is the impact on the industries of the industrialized world as a result of the politics of the Middle East, why were we not given the opportunity to examine those interests? I see that my colleagues from the NDP would probably agree.

This has nothing to do with isolationism. This has nothing to do with the policy of deciding if we are to the left or to the right. If, as a country, we have in the past supported the democratrization of societies everywhere, if, as a country, we have tolerated military presence only in a peacekeeping capacity, why would we depart from those two very valuable principles now when they are needed most?

I am not naive, neither am I completely oblivious to the conflagrations that exist world-wide. There are areas that quite unfortunately are steeped in military conflict where we are not playing a role. There are other areas where our allies are involved in conflict and we are not playing a role. There are other areas where our friends and our allies are involved in the kind of circumstances that could at best be described as compromising of some principle and we are not involved.

It would appear that when the American eagle sneezes, we rush forward with our handkerchiefs. What have we seen in the course of this debate? Not only have we been attempting, at least on the government side, to seek reactive type of unanimous support, a whitewash of government initiative or lack thereof, but we are seeing seeping into the debate, very slowly and insidiously, the discussion that we can actually influence the outcome by now talking about a possible resolution called linkage.

For those who are becoming much more aware of what this term linkage means in international politics, I have heard hon. members from both parties talk about the secret to peace in the Middle East being seen in the resolution of the Palestinian question.

As one who has already avowed adherence to the principle of international peace, to the principle of international demilitarization, to the principle of harmony among people, I could hardly exclude the question of resolving the problem of Palestinians in any debate.

I am not here to discuss that particular issue. I was being asked—and I would have hoped that I had been asked two months ago—to debate whether in fact we ought to be involved in the activity of a legitimate president, no matter how much we dislike him, and I dislike him intensely, no matter how much we dislike the form of government, and I disapprove of it totally, to debate the action of one Arab leader against the actions of another Arab leader.

For those who do not understand it, Mr. Speaker, Saddam Hussein did not enter Kuwait because he was interested in resolving the problems of the Palestinians in the Middle East. He absolutely did not do that. For us now to start beginning to talk, as my colleague from Burnaby—Kingsway and my colleague from Trinity—Spadina said, saying we have to link the two in order to reach a solution, I think avoids the very serious question that all of us should address, and that is: What is

Canada's role in that area? What are we doing there in the first place?

Second, for those who have a genuine concern and say that this problem ought to extend to the Arab-Israeli question, I say fine. Good intentions are fine. In every other instance what have we asked for is that the partners in conflict, the partners who have a problem and are in an adversarial position, ought to have between them an opportunity to decide what the solution to their problem is. In other words, bilateral negotiations. I do not know whether this House has ever suggested that there be a solution imposed on anyone.

The massive military build-ups suggest that perhaps because of our participation, we are now coming to the point where, yes, it is now legitimate to think about imposing a solution, so we are going to democratize the entire Arab world. We are going to proselythize our religious background, our cultural values, the new values of the industrial world in the area.

I do not know whether we were all born yesterday or whether we constantly dream in Technicolor, but there are people out there who do not believe in the democratic principles to which we adhere, people who do not believe that our culture and our industrial economy is the be all and end all of their personal aspirations.

Once we begin to realize that Israel is an element that represents the western world by virtue of its presence and its values, why do we not allow Israel to work out its problems with Palestine and the Palestinians on their own?

If, out of such negotiations, comes the suggestion that there be an international conference, I think most members around this House would support an international conference. But, unlike my colleague from Burnaby—Kingsway, I think it should not be one that predetermines what the agenda will be, and not one that already predetermines what the outcome will be. I think that this House might even support an international conference that was asked for by both partners in that negotiation.

If the international community were willing to stick its neck out and guarantee any of the decisions reached by those partners and by that international conference, it would be observed by one and all.

I have not heard that in any of the presentations given today. Unfortunately, I have not heard that as an initiative by the government.

And so, Mr. Speaker, on the motion, I can only say that I will support my party's amendment because it at least gives me an opportunity to affirm the principles of involvement in the United Nations and United Nations activity, but I cannot support the government's motion because I want peace first, foremost and always.

• (1850)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, let me first congratulate my colleague from Eglinton—Lawrence who as usual gave an in depth review, showing his wealth of knowledge of this particular matter. I certainly support the position my colleague has taken.

The essence of what we are talking about in this debate and the question I want to pose to my colleague is this. Is there any indication how long this confrontation we face in the Middle East will last? How long will be faced with hurting people in Canada because of the mid-east crisis which we seem to face time after time after time? What I refer to is the fact that this conflict, although almost on the other side of the world, has a direct effect in Canada and a direct effect in the area from which I come.

Iraq, up to this point in time, had been a substantial customer of Canada in the purchase of grain, oats and barley. It has now been embargoed and we can no longer ship to that country. The conflict in the mid-east has caused some concern in the seaway inasmuch as for the last two years we have been told that the reason for grain shipments through west coast ports has been because most of our customers for export grain are in the Pacific Rim countries.

On the day the embargo was placed on goods and services sold to Iraq, boats laden with grain were destined for Iraq. Where are these boats? They are not in the port of Thunder Bay, which is the traditional route for all products being shipped to Iran and Iraq. They are not in the downriver ports of Montreal and Baie Comeau where the grain is loaded on huge tankers, but the grain and the boats are embargoed in the port of Vancouver. Those boats, laden with grain destined for Iraq and Iran, go through the Panama Canal. We have been told that any grain bound for the traditional markets flowed through the St. Lawrence Seaway and was not being

shipped out of the west coast ports. My question to my friend is how long, in his best judgment, does he think this embargo on food products will exist and does he agree with it?

Mr. Volpe: I thank my hon. colleague from Thunder Bay—Nipigon for his question. He raised an issue that has been debated among many of our colleagues and one that I raised in my presentation. That is the question of Canadian interests. The interests are twofold; those of principle that should be applied generally and should transcend borders and individual interests, and the other one of pure monetary interest. We take the second one.

Until recently, like most Canadians, I was not aware of the level of trade in agricultural products between our country and Iraq. It appears that Iraq is one of our biggest importers of grain. It is one of our biggest customers. In fact, I heard one member claim that it is our biggest consumer of agricultural goods. If that is the case, and I take into account the fact that the member was trying to make a point when he said it is the biggest, the fact of the matter is that the blockade is influencing our export of agricultural goods. It is influencing as well the level of involvement we have in transportation. It is going to have an impact on the people who are dependent on both for jobs and livelihood.

Mr. Speaker, I would never suggest for a moment that we should examine our principles on the basis of economic advantage to a region of Canada or to Canadians at large. So, I want to address the second question, of the principle that we have already put aside by being involved in this crisis. I do not think there is anyone here or in this country can give my hon. colleague a satisfactory response with respect to a termination date. One would hope that the solution is a peaceful and speedy so that we can recall our young men and women to serve Canadians in Canada, or to serve under the auspices of international bodies that makes decision before a superpower imposes it on them.

Secondly,we hope there is a peaceful solution so that we normalize relations not only with that country, but with others so that our economies can get back on the footing they were on a couple of months ago so that we can produce for others, and return to the normalization of prices in the energy area.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Moose Jaw—Lake Centre.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I welcome the opportunity to be able to participate in this debate.

I would like to begin my remarks by saying that I, along with other members in this Chamber, condemn Iraq for its invasion of Kuwait. In fact, not only Iraq, but its president should be condemned for many other actions it has taken in recent years. Saddam Hussein should not be the leader of that country. In fact, should be locked away.

I would like to pay tribute to the troops who are now in that area of the world, to the embassy staff in that region under a very difficult situation and also to the Canadian citizens in that region. Of course, my thoughts go out to those people and members of their families in Canada who are very concerned about their welfare, and particularly to one individual in the City of Moose Jaw, Paul Francoeur, a member of the armed forces presently in the Middle East. My best wishes and thoughts go out to him and his family.

I would like to take a slightly different approach than some members have been taking with respect to this debate and focus on a couple of areas; the role and purpose of the United Nations, and with respect to democracy here in this country.

The existence of the United Nations fundamentally, is to provide peace and harmony in this world. Since it was created at the end of World War II, it has suffered many setbacks and has struggled during its history. I believe that the recent actions and resolutions passed by the United Nations have had the most unified support that the UN has perhaps ever experienced.

One of the reasons for that support has been the turn-around by the Americans. These days the United States is praising the United Nations.

This has not always been the case. It was not very long ago that the United States was calling for the United Nations to leave New York. The United States still owes some $750 million to the United Nations and, perhaps, should be considering paying its contribution.

I would suggest that the United States is not so much concerned with the United Nations as it is concerned with a steady and secure oil supply. I am also concerned about its military intentions in that area of the world. Certainly an Iraq that controls a Kuwait controls a significant amount of the world's oil production and could have a significant impact on the United States.

• (1900)

The desire for extended military bases in that area certainly is part of the Americans' decision to take the action that they have. I am very glad that the United States has taken the position that it has in respect of Iraq in condemning it. However, I would question some of its motives.

If the UN is now so important, why does not the United States support resolution 242 which calls for Israel to withdraw from occupied territories that it has occupied since 1967? It is interesting that since the United States has been moving into that area of the world it has now found new criticism recently for Israel because it is looking for support for the Arab nations.

President Bush said that we could not have a dictatorship running a country in this world and imposing its will on people throughout its territory. We have noticed in the past that the United States condoned Panama, for example. Panama had a dictator for years, and it was involved in the drug trade. In fact there were implications connecting General Noriega to the CIA itself. Only when General Noriega's plans did not fit with the United States did it invade Panama.

This is a similar line to that which the United States took in places like Grenada and in its attacks on Libya. Why did not the United States condemn Dictator Hussein when he invaded Iran back in 1980? There was no action when Iraq chemically gassed the Kurds, resulting in some 4,000 terrible deaths in 1988 that inflicted a lot of pain and suffering on a lot of individuals and causing thousands of injuries which people will suffer from for the rest of their lives. Also there was no condemnation of Syrian and Israeli occupation of Lebanon. What about the occupation of East Timor by Indonesia?

I am very glad that the United States has taken a turn for the best with respect to the United Nations and has condemned the actions of Iraq, but it is certainly with questionable intention that the United States has taken this action. When the United States announced that it would be sending troops into that area of the world, it did so long before UN resolution 665 and without prior consultation. It was only when UN policy happened to coincide with U.S. policy that the U.S. began to sing the United Nations praises.

In respect of all of that we have our Government in Canada supporting a U.S. position long before the UN resolution. I would suggest that the Prime Minister acted in a fashion that has affected and harmed the reputation of this country in the world.

Why would the Prime Minister and why would this country take the actions it did in light of the background I just highlighted in respect of the United States? This decision seems to have been made on the spur of the moment. On August 3, the Right Hon. Secretary of State for External Affairs had indicated that he no intention of any military action in the Middle East. On August 6, the Prime Minister met with President Bush. On August 10, after a NATO meeting, the Prime Minister announced that Canada would be sending two naval destroyers and a supply ship into the Middle East. This was a very quick turnaround. In fact the announcement by Canada was made two weeks before the UN passed Resolution 665. That resolution, of course, is the one which authorized UN member states to take necessary measures against shipping to ensure strict implementation of the UN sanctions.

With respect to the government, I think that has hurt Canada's reputation in the world. It has hurt our reputation as a peacekeeping nation. It is the first time since the Second World War, I believe, that we have sent Canadian ships under a Canadian flag into a potential war zone. I think that action by the Prime Minister was one that certainly should have led him to call Parliament back immediately. He did not. In fact, Parliament was not called back until its scheduled date of September 24. At that time this debate began, Mr. Speaker.

This action is not justifiable. The government considered it to be important, but when you consider it in light of other actions, one wonders about the respect that this government has for democracy in this country. In August 1987, when 174 refugees landed on the coast of Nova Scotia, the government considered that an emergency situation and immediately called back the House of Commons to sit. Yet, when the Prime Minister announced that for the first time since the Second World War we are going to be sending Canadian ships into a

potential war zone under a Canadian flag, he did not call back the House.

Other governments called back their parliaments. They certainly did in Britain. The absence of such action shows this government's lack of respect for democracy.

This has to be taken in the context of the attitude that Canadians have today toward parliamentarians right across this country. People are questioning parliamentarians and their actions, certainly the actions in the Senate with the banging of chairs and the blowing of kazoos.

This government's use of time allocation and closure, time after time after time, have made people become disillusioned with this institution of Parliament. We have a motion that the government wants to limit committee size because it feels that committees in this House on occasion are disagreeing with the government. It is an infringement of an MPs right to properly perform his duty. This is simply one more example of that. It is one more example of this government failing to respect the democratic institutions of this country and causing this institution to be held in less regard by the people in this nation.

What is required in this situation? We must make the role of the United Nations in the world a priority. As such, Canada should be taking a leading role as a member of the Security Council to ensure, first of all, that the UN takes charge of military operations over in the Middle East. As well, we should declare that our ships will only go as far as originally planned, and that is to the Gulf of Oman, and strictly for the purpose of helping to enforce the UN sanctions against Iraq under Resolution 665. That and no more, Mr. Speaker.

As well, Canada should be focusing more attention on the problem of the refugee situation. Thousands of refugees from numerous nations have been fleeing Kuwait and that region of the world. As is often the case with refugees, they become almost invisible. People tend to forget about them. They get quick exposure on the media and then they are forgotten. Although the government has committed some funds, which is very laudable, there should be a stronger commitment than that. Canada should be committing itself to spending more attention and energy with respect to the refugee problem.

• (1910)

In conclusion, I would simply like to say that I was very disappointed in the actions which the government had taken. It certainly had a bad reflection on the United Nations. It has also had a very bad reflection on the way Canadians view this Parliament. It has shown a disregard for democracy in this country.

With those remarks, I would close by saying that I will certainly be supporting my party's amendment and opposing the government's resolution.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will be brief.

I congratulate the hon. member on an excellent speech. I just want to take this opportunity to ask the hon. member, who is well known not only in Saskatchewan but throughout this country as a tireless defender of farmers, if he could elaborate on the implications of this serious crisis for grain farmers in particular.

What impact will this have on western farmers? I know that Canadians will await with interest the comments and the assistance of the hon. member on this important question.

Mr. Laporte: Mr. Speaker, we have in this country today an rural infrastructure that is in real danger. It has been shrinking for a number of years and now it is simply beginning to collapse.

One of the reasons it is collapsing is the economic base, whether it be fishing in Nova Scotia, growing apples in the Annapolis Valley, or growing grain in western Canada. This government has failed to address the agricultural issue properly in the last number of years. Certainly since it has taken power it has been promising to bring in an agricultural program since 1985.

With respect to this situation, Iraq was our fourth largest customer with respect to grain. It is certainly an important customer. The loss of Iraq is simply adding to the difficulties that exist today. We have in Canada a problem with grain sales. One of the main reasons is that we have the United States which, through its Export Enhancement Program, is infringing on our traditional territory certainly in the U.S.S.R. and in Africa. We are

having difficulties making sales into those areas and then we lose Iraq. It has a devastating effect. That is why we now have literally thousands of bushels sitting in fields.

It is important for this government when it brings in its agricultural program that there be compensation made with respect to the loss of those sales. It is not the farmers' fault in western Canada that Iraq invaded Kuwait. It is not the farmers' fault that this government is not taking action against the United States for infringing on our traditional sales areas and markets. It is not the farmers' fault and the farmers should not be suffering.

This government should be taking some action, which it has not so far, to rectify that situation and assist farmers and, in doing so, will assist all of rural Canada.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it is an honour to rise and say a few words on this motion before the House with respect to the Iraqi situation. It is particularly appropriate as we come up to November 11 and Remembrance Day.

I have been approached by a vast majority of my constituents who are in agreement with the actions of our government and the United Nations acting together. I met with many people from particularly eastern Europe. They have told me in no uncertain terms that we all know the history during the thirties when there were four or five times that Mr. Hitler could have been stopped. At that time other countries were faced with a choice. They could have stopped him or they could not. They lacked the courage or the moral fortitude to stand up and block him the four or five times when they could have. As a result, we got into a world war where 40 million people, at a minimum estimate, lost their lives. How many more tens of millions were injured, wounded, or physically or mentally affected is unknown.

Europe was destroyed as an infrastructure, whether it was roads or buildings or schools, and only recently are they beginning to recover and thrive. More than 40,000 Canadians died. That has had an impact on families and family trees. I know my own family tree in Britain was totally finished. The last Thacker in Britain in our family tree was lost in Sicily. That has had quite an impact on everybody. You do not forget those things.

It is ironic that just at the time when eastern Europe was coming on side and adopting more approaches that were conciliatory, the United Nations was expanding, the GATT treaty was expanding and human rights were expanding, time when it seemed that we could move on to a new world order with peace and a much more co-operative relationship, we would be faced with Saddam Hussein. He is an individual like Hitler was when he took over a country, who has absolutely no conception of human rights or the feelings of other people. He simply invaded Kuwait, which everyone agrees was a total illegal act by any and all standards.

The bottom line is that our generation is faced with the same choice as our ancestors of two generations ago. We can either stop it now or we can appease or somehow rationalize it in our own minds as none of our affair.

The United Nations has decided that it is our affair and acting together is a good precedent. I hope we will continue to act together and give the Security Council the backing and the support that it needs. That is our hope. We do not have any other models, we have to use the United Nations. It is a wonderful model and the clauses are there. We have to be prepared to act together and I think we will. The fact is that we simply do not have any choice.

Even with conventional weapons we have no choice. We simply cannot afford a world war with conventional weapons. We all know we certainly cannot afford one with nuclear weapons.

I am proud to say, and I am sure I speak for the vast majority of my constituents, that Canada is part of this. Thanks should go to our navy, the men and women on those ships, in the air force and their support staff. We are thinking of them. They have our full support. We worry about them and we want them to come home without any shots being fired and certainly no one being injured or killed. They have our support.

Mr. Marcel Prud'homme (Saint-Denis): I have a short comment, Mr. Speaker. I will be participating in the debate tonight.

I want my colleague to understand that in no way, shape or form do I intend to defend the actions of

Saddam Hussein. I see the hon. member repeating the line well used by the President of the United States, Mr. Bush, comparing Saddam Hussein with Hitler. I do not know why.

Could the hon. member enlighten us as to when the western world suddenly discovered that Saddam Hussein, who for eight years has become quite well known for his tactics, and well armed by the west I might add, fit the description of Hitler. Is it now or was it recently or was it when he was doing what we could not do against Iran?

Mr. Thacker: Mr. Speaker, there is no doubt that my colleague opposite and friend for many years raises a good point. The point is when do nations act? Leaders and dictators all over the world get away with all sorts of atrocities within their own country and the world does not act. There have been all sorts of instances of Saddam Hussein killing his own people. We are a world that is divided into nation states and we accept that concept of nation states. They have all sorts of rights within their own nations to do things that we do not agree with, against human rights and otherwise, and we do not act against them. But when Saddam Hussein moved into Kuwait, that jelled everyone's thinking that this man was a madman. This man is a madman. This man knows no constraints, none of the ordinary constraints that leaders in practically every other country in the world now are beginning to accept and to operate within. Therefore, it did become a threat.

• (1920)

I know the arguments that it is because of oil and all of that, and there is no doubt that is a major fact because without oil imports, even in this country, we would be in very deep trouble. The United States is in even deeper trouble as well as other countries of the world. I do not take away one moment if he says we acted only for oil.

I think there was an imperative that went beyond just oil. So many other nations, including the Arab nations themselves, have joined together to say, "Okay, he has got to be stopped now". I think there was a time, if my friend wanted us to do it 10 years ago, well I would not take that away from him. He may well be right, but certainly now we have enough people standing together that I think that in and of itself that is good enough to stop Saddam Hussein. Hopefully it will be an example to other dictators who will act without any sense of consideration for other countries.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am pleased to take part in this debate. I declare at the outset I support unequivocally the part of the motion which states:

> That this House condemn the invasion of Kuwait by Iraq—

I cannot however support the concluding part of the motion which states:

> —take part in the multinational military effort in and around the Arabian Peninsula—

Why, you may ask, Mr. Speaker. I begin my answers by asking two questions. Is Canada prepared to support military action against Iraq outside of the United Nations auspices? Is Canada prepared to support military action against Iraq without full debate in Parliament and full consultation with the opposition? The latter part of the government's motion, as it now stands, could be a blank cheque and for that reason I oppose the government's motion.

Let me proceed, Mr. Speaker, by remembering a past Prime Minister, the Right Hon. Pierre Elliott Trudeau, a man who strongly endorsed the use of international diplomacy as means to settle international conflict. However, we saw a change in 1984 when the Conservatives under Brian Mulroney came to power. We witnessed a changed in attitude from a Canadian policy based solely now using Mr. Mulroney's own words, "super relations with the United States".

The Acting Speaker (Mr. Paproski): I would hope that the hon. member would address him as the Prime Minister when referring to the right hon. gentlemen. You are addressing him as the Right Hon. Brian Mulroney, it should be the Prime Minister.

Mr. Pagtakhan: I thank you, Mr. Speaker, for your reminder.

This subservient attitude towards President George Bush's foreign policy was evident in many of Canada's past actions that relate to the United States interests. It was there when the United States invaded Panama against Noriega; it was there again when President Bush led the American military into the Persian gulf. It was there once more when Canada's response came more than two weeks before the United Nations agreed to endorse the use of military force to ensure compliance to sanctions. While Mr. Mulroney argued that it was part of

a multinational effort, it was clearly initially a United States effort.

Let us not forget that the resolution passed by the United Nations endorses the use of military force to back up the economic embargo of Iraq. There is no mandate to use force to invade that country. There is no mandate to use force to invade that country.

I do not question the Prime Minister's statement of September 24, in this House, and I quote:

> Our contribution to the defence of freedom and our resistance of aggression constitute chapters of sacrifice and glory in the history of this nation.

But I question Canada's initial involvement in this crisis as sanctioned by this government, in the absence of clear, United Nations is stewardship with Parliamentary debate in this House. I cannot trust this government with a blank cheque on this issue.

I will support the government's resolution provided we receive certain assurances from this government regarding the future or deployment of Canadian forces and the involvement of Canada in a Gulf war; specifically, a commitment that no changes in Canada's position will take place until Parliament or the opposition has been consulted and secondly, that Canada does not participate in offensive military action outside United Nations auspices without the approval of Parliament.

It should be made clear that our party took the the initiative for an all-party agreement on the resolution, not this government and definitely not the New Democratic Party.

I should point out that the approach to Canadian foreign policy by this government during the last six years has sharply turned from a strong Canadian voice to either sitting on the sidelines, or to cheering the policy initiatives of the United States with little or no consultation with our Parliament.

At this juncture I ask this government: Where was the Prime Minister during the crisis? In Washington. Who advised the Prime Minister at this time? President Bush. What were the United Nations members doing when the Prime Minister was in Washington? They were recalling their parliaments to debate the crisis with their citizens. Did we do it in Canada? Sadly, Mr. Speaker, we did not.

Sending troops to the Gulf is a national emergency, and sending troops into a possible war zone is not a decision that the Prime Minister should make on his own. The issue should be brought before Parliament for all to debate. Debate is essential in a democracy or democracy withers and dies.

I now ask if this government is prepared to make a commitment that there will not be a further deployment of troops, or the use of force without a clear mandate from our Parliament and under the stewardship of the United Nations.

What initiatives is this government making with the United Nations to find a peaceful resolution to this crisis?

In closing, I would like to say that Canadians are encouraged by the role that the United Nations has played in this crisis and we must seize this opportunity to assert the supremacy of that great institution and not of the United States. Let this be the objective that guides Canadian foreign policy.

Canada must continue to search for peace, just as Canada shall continue to abhor war. Is Canada prepared to support military action against Iraq, outside of United Nations auspices? Is Canada prepared to support military action against Iraq without full Parliamentary debate and consultation? Canada shall insist on acting militarily only under the United Nations umbrella, guided by the wisdom of this House. Hence, I support the amendment proposed by my party.

The Acting Speaker (Mr. Paproski): Questions or comments. The hon. member for Burnaby—Kingsway.

Mr. Svend J. Robinson (Burnaby—Kingsway): I know that the hon. member for Bonavista—Trinity—Conception is consulting with the hon. member in terms of a response to this question, but the member from Manitoba is his own member and hopefully will give his own answer.

• (1930)

The member knows that there have been discussions and dialogues in the House about some other form of a motion. The New Democratic Party has proposed a subamendment which I believe the hon. member has indicated he supports. His party has also proposed an amendment. Of course, the thrust of those amendments is to ensure that any action in the gulf must only be

under United Nations auspices. In the event that those amendments are defeated, does the hon. member intend to vote for or against the government motion?

Or, Mr. Speaker, is he going to stand up and say: "Well, you know, we are trying hard to get an agreement. We are working really hard. We are hoping that there can be an all-party resolution." Is he going to be direct? Is he going to be straightforward? Is he going to tell the House whether he supports the resolution or not?

Mr. Pagtakhan: Mr. Speaker, I have always been direct in the House and I thank the hon. member for recognizing that fact.

The hon. member was trying to insinuate that I was consulting with my hon. colleague. Of course, I would like to consult with my colleague. In this particular instance, there was no consultation.

To answer the question, the hon. member was not listening very clearly to all the provisions that I indicated. I said, unless we can get the assurance from the government that it would be under United Nations stewardship, followed by debate in the House, we could not support the government's motion. The hon. member will see when the vote is called.

The Acting Speaker (Mr. Paproski): Comments are now terminated. On debate, the hon. member for Davenport.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, two days ago in the House an alternative motion was put forward at page 14250 of *Hansard* which contains three principles. One principle is that Canada is against invasions of all kinds. The second is that Canada supports the United Nations and its resolutions since the Kuwait invasion. And the third is that there will be a debate in Parliament should there be an outbreak of hostilities involving Canadian forces.

That resolution, it seems to me, is highly commendable. It contains a lot of wisdom. It is the result of negotiations that my party has initiated with the Secretary of State for External Affairs. It has all the elements that would generate, I believe, a unanimous vote on the part of Parliament, which is extremely important if it is to have any impact at home and abroad.

We are against any form of invasion. In recent years, we have seen what happened in Afghanistan. You, Mr. Speaker, and many present here tonight will remember the outrage in public opinion throughout the world against that invasion.

We also recall, perhaps a little further in the past, the invasion of Tibet which, unfortunately, did not provoke much of an outrage in the world community. Not only that that, but it did not even provoke any movement of troops on the part of any of the superpowers to defend, protect, and restore the integrity of Tibet. I suspect that was due to the fact that Tibet does not have any oil wells. A comparison between the reaction of the world community to the invasion of Tibet and to the invasion of Kuwait is a very solitary and interesting lesson.

We have, in case of an outbreak of war in the Middle East, some horrendous consequences to contemplate, both in terms of human life and environmental damage. The debate here tonight does not lend itself to that kind of examination. I just want to make a very brief reference to that aspect which would horrify every thinking human being on this planet.

What disturbs us very much is that, in case of an outbreak, the line of command in that part of the world is not clearly defined. We do not know under whose command our troops and ships would be when the going gets rough. This is why we feel it is extremely desirable to find a way on Tuesday, when we vote on the motion, to adopt the proposed alternative put on the table only a couple of days ago. In that motion we have the establishment of a clear and important principle that it is under the flag of the UN and under the leadership of the world community as represented by the Security Council that our troops will operate.

We are in full agreement with the resolutions of the United Nations. We are in full agreement with the *modus operandi* of the United Nations. We believe there is a family of nations that function in this world, that it is a civilized one and basically very enlightened, and any territorial ambition or dispute, even the most legitimate perhaps within the boundaries of certain nations and public opinion of any given nation cannot be resolved by means of violence and invasion. This is the lesson of history which we have gradually, slowly, and painfully learned throughout time. Now, perhaps for the first time in a long time, the world community has coalesced behind this very important and critical point.

While we fully understand the importance of the presence of troops moved into the Middle East, we know that that has taken place in order to buy time. We know the solution can only be a political solution. It cannot be a military solution if it is to be a lasting one. That point was extremely well made, Mr. Speaker, and I am sure you will remember a few weeks ago, at the meeting that took place between Mr. Bush and Mr. Gorbachev. There were evidently the elements in that meeting for the search of a political solution. The means probably were different. The way of thinking in Washington is suddenly quite different than the way of thinking in Moscow as to how to get there is quite different, but I am convinced as I stand in the House, Mr. Speaker, and I am sure you are too, that in both capitols the desire is to arrive at a political solution. The same applies in our House of Parliament. We want to arrive at a political solution, one that will bring us together rather than divide us when we vote on the motion on Tuesday.

For this reason, I appreciate very much the opportunity to participate in the debate, to reaffirm the confidence of my colleagues and myself in the final role of the United Nations, and to recall that it was under the leadership of a former Prime Minister of Canada before he became Prime Minister, namely Mr. Pearson, that Canada became an active initiator of peacekeeping missions in many parts of the world, some less publicized than others. I am glad to see that a Pearsonian sense of world responsibility by way of peacekeeping has also been continued and adopted by the present Secretary of State for External Affairs. Along that path, the government will have the full support of Canadians because deep down in the heart of every Canadian there is this confidence, this tremendous belief, that only through the United Nations can the diffusion of world disputes, differences, and potential dangers be achieved.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, as I begin my speech, I would like to remark that our colleague from Davenport gave an excellent analysis of the situation and the role of Canada in peacekeeping.

For those who were riveted to the radio and television in the past months after Iraq invaded Kuwait, many people were upset and with good reason. We were hoping for, and we got, quick response from the United Nations. The United States took immediate action, and Canada, contrary to its tradition of following the banner of the United Nations, decided to deploy men and material to the Middle East crisis. But I guess it would be impossible to expect the average Canadian to really understand the whole complex situation that has been that of the Middle East ever since 1948, or hundreds of years, for that matter. It has always been a very complex problem and there are probably too many factors that come into play. Do not forget the Middle East, for all practical purposes, was the cradle of civilization as we know it. Yet the problems over the years have compounded themselves to the point that it is hard to distinguish what is fact and what is fiction, and where is the truth and where are the lies. God knows there is a lot of truth and there have been a lot of lies that have come out of the Middle East.

• (1940)

I guess many people have taken a position on this whole issue without knowing the facts, and I can understand. Members of Parliament, our fellow Canadians, and many people throughout the world maybe just do not have time or the inclination, or they do not want to take the time, to realize there are reasons why this kind of conflict that has developed in the Middle East. A tremendous amount of resentment has been built up throughout the years, and it is understandable. I would like to point out one particular paragraph that I thought summed it up quite well.

The Arab masses resent the role that the United States is now playing in the Gulf and the financial support that some Arab states are providing, all of which they perceive as designed to protect undemocratic and feudalistic governments. They can be expected to ask with frustration and anger how many houses, schools, hospitals and highways could these funds have built in poor Arab parts of the world? How many farms and factories could have been established for hungry Arabs?

Why should this enormous amount of Arab money be diverted for the perpetuation of unjust and outdated governments? It is the anger and the frustration which breeds the Saddam Hussein and the Ayatollah Khomeinis of the Middle East.

Mr. Speaker, it does not take a genius to understand that in the past years in the Middle East the Arab nations have constantly been frustrated, especially by the United States, in finding a solution in the Middle East,

especially for the Palestinians who were driven out of their own homes. Has there been any effort in the last 40 years by the great powers to recognize that people who were on this land for thousands of years were literally pushed aside? Today a lot of people and nations have the nerve to point to Palestinians and call them terrorists, in their own land. When is the truth going to be known that the Palestinians have been the victims, and what other homeland, the homeland of my father from Lebanon. He is a Semitic.

Where was the United States, where were the powerful nations of this country, when they let Lebanon be sacrificed? They sacrificed Lebanon to make it a battleground between the Syrians and the Israelis and anybody else who were peddling arms.

How much hypocrisy will there be and how many lies are they going to tell us before the truth will be known? It will be too late.

How many Palestinians have died? How many have lived in the desert? How many Lebanese? There is not a week that I do not have people of Lebanese background who write and call to me, trying to bring a sister, a sister-in-law, a brother, or an uncle. It has been frustrating for all those who understand that there has been a lack of justice.

We see the United States send over unbelievable amounts of military arms and men—to protect what, Mr. Speaker? God knows that I have often said that the Lebanese problem would have been solved if they had oil underneath their soil. But, no, they are there to protect a vested interest. The cost, in human lives, never bothered them. Traditionally, under the former Prime Minister of this country, we always followed the lead of the United Nations in world conflicts. We had developed a reputation. And even as fellow travellers to different parts of the world, we were looked up to with a great amount of respect and esteem. They had faith in us. I am afraid that this faith could be eroded when we have this kind of activity.

As I mentioned at the beginning, had there just been an attempt in years past to solve the problems of Lebanon which has been bleeding for the last 15 years. How much bleeding can it take? Those who speak up in the name of the suffering Lebanese, they overtook the hometown of my father. The Israelis have it under occupation.

What about the Palestinians who have been the victims? They throw stones and they get bullets in return. Yet they are called terrorists in their own land. When is the truth going to be known? Does it make me anti-Zionist because I want the Lebanese people to live in peace and the Palestinians to have a piece of land that they can call their own?

It makes me think of a former journalist, James M. Mynafee, who is now deceased. Mr. Speaker, you probably remember that name from the past. He wrote a book. I always liked the title. He asked at the time what Canada's role was. Was Canada a peacemaker or a powder-monkey? In the late middle ages, powder-monkey was the name given to one who brought powder to those who were using a new kind of weapon. That is the whole question. We want to be the peacemakers and not the powder-monkeys in this world. We have had enough of arms dealers.

It would be ridiculous to think that we could find a solution to the whole problem, but the beginning of a solution would occur if we would put into practice the resolutions that were in the United Nations and we have said that we agree to. But no effort has been made by the superpowers to find a homeland for these Palestinians who were pushed out of their land.

There are frustrations among the Arab states. Mind you, there have been a lot of Arab states which use the Palestinians as a political football. I am here as a member of Parliament, not to create enemies.

Where were the Saudis when the Palestinians really needed help? Where was Kuwait? Kuwait is a pure fabrication of a country, with a totally undemocratic system where hundreds of billions of dollars are in the hands of a relatively few people. I am sure the average American must realize that there has to be something drastically wrong when a few families control hundreds of billions of dollars, deposited in American treasury bonds and in American and Swiss banks.

How long is this frustration going to be left to fester in the Middle East, until we have an outbreak of hostilities that will have terrible ramifications? Is it going to be this time, if we can get out of this peaceably, that we will realize that we have to sit down and find the final solution to clear Lebanon of the foreign armies on its soil and find a place for the Palestinians, a right they have under the United Nations Charter, so they will

have a place they can call home? Still today there are universities and schools in the occupied territories which have been closed for two years.

• (1950)

That goes against all humanitarian things that we have stood for in the past. Yet, it is permitted to continue. We are expected to jump in line immediately because the Americans wanted to protect oil.

Once again I say: Where were they when Lebanon was overrun? Where were they when the Palestinians were calling out just to have a piece of land that they could call home?

In conclusion, for all those who believe that there is a just solution for the Middle East and in the humanitarian treatment, the place to look to is the United Nations to enforce those resolutions. It is the people in this country who can call upon the government and say that it has been 15 years that the civil war in Lebanon has been permitted to go on.

Since 1948 the Palestinians have not had a place to rest their weary heads. I call upon Canadians to ask simple questions of the Minister of External Affairs or of the government and say: Can we not use our role in the Security Council to say that time has come that these resolutions be respected? That is all we want.

To the government of this country, for the tradition and the respect that we have built up through the many years, we want it to continue, needless to say. We want to be the peacemaker and not the powder-monkey. That should be very clear. To all Canadians maybe it seems frustrating because we feel completely powerless, but we are not.

Our church organizations could be writing to our Prime Minister and to the Minister of External Affairs. If they knew that there were thousands and thousands of Canadians who are aware of the situation, we would see more action.

I was very happy to participate in this debate. It is very hard to stay calm after years of tragedy upon tragedy upon a people who do not deserve to be victims. It is amazing when one looks at the history of that part of the world to see that when the Arabs had their civilization, there was so little discrimination. It seems ironic that today they would be the victims of such discrimination.

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

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my esteemed colleague just said: "How can I stay calm?"

My comment is: Why should you stay calm when you see so much hypocrisy in North America, especially in Washington and I dare say in Ottawa, Mr. Speaker? How can you remain calm when these young people I see here could be the ones who may be asked to go if things over there turn as I expect most likely and I wish would never take place? How can you remain calm? Why should you remain calm?

My comment to my colleague is when you talk about the Middle East, Mr. Speaker, you have talked about the Middle East in the past. Would you explain to me to help me for my introductory remarks later on maybe. I may decide to give up, because every time you talk about the Middle East either in the Liberal Party of Canada, in the House of Commons of Canada or in any political party, everybody gets dizzy. Mr. Speaker, you can talk about anything in the world, but do not touch the Middle East.

My colleague explained to me his understanding of this nervousness when we start talking about the Middle East. He is a distinguished member of Parliament who sat in the National Assembly in Quebec. He was not defeated. He did not run in 1976. He came back to the Liberal Party of Canada, my party, at a very difficult time, when we were very low in the polls in 1984. He resigned his seat in Quebec City and got elected. He should not apologize for being passionate.

Could he help me out? What is his understanding of the reason why so many people are so nervous in political circles, especially when we want to find in all honesty a solution and justice for all. All means all parties. Would he enlighten me, please?

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I am flattered because the hon. member for Saint-Denis is very knowledgeable an international affairs, especially the Middle East. I should be asking him for advice. I am looking forward to hearing his speech later on, and I

know it will be very interesting. I would like to say to the hon. member—

Mr. Prud'homme: There is lots to be upset about.

Mr. Assad: Agreed. The hon. member is right to be upset. But he made an interesting point. One wonders about the reluctance of members of this House to talk about the Middle East in public. It seems to me that if we have the privilege of being elected and sitting in the House, we should feel no hesitation about saying what we want to say if we are deeply committed. If we don't speak out, people will not respect our opinions. Mr. Speaker, I am sure you understand that if you don't speak up for what you believe in, people won't respect you. I agree. The reason for this reluctance to talk about the Middle East is that they are afraid of a backlash. When we want to talk about the plight of the Palestinians, they are afraid of being accused of anti-semitism. My father was a Semite. Why should I be afraid to speak out when I saw his country being destroyed? This is the place to speak out. Everyone in this House should honestly say what they think about this issue, because if they don't, they don't deserve to be here.

To the hon. member I would like to say that when we stand here in the House, we have the right and the moral obligation to say what we truly think and to defend those who cannot defend themselves. That is what makes them reluctant because they are afraid of being accused of being one thing or another. They might as well go home and let people who do have the courage say what they think.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I am very pleased to be able to participate in what has been a debate that has not only taken place in this auspicious Chamber in the country of Canada, but right across the international community.

It is a debate that has been waged and it is a debate that continues. It is my belief that most Canadians, in my humble estimation, would react in favour with the general response from the international community in response to the blind and naked aggression of Saddam Hussein on behalf of Iraq.

I say that because I believe most people share the general tenor of what has crystalized, if you will, the United Nations on the one hand, a United Nations that is able to mobilize not only one or two or three major countries or the two superpowers, but in fact a litany of proud sovereign nations which have rallied to that call. They have beckoned their men and women to try to stand up for what they believe is in the best interests of that great word we call democracy, which that has many definitions to many different people.

• (2000)

I believe also that in a certain sense many people would probably value the general actions embarked upon by President Bush. It is not often that many Canadians, indeed many parliamentarians and indeed this member of Parliament, would go out of their way to try to pay some degree of homage to international leadership by the United States of America. Usually it is on the receiving end. Usually the United States for one reason or another is always subject to criticism, perhaps because sometimes it is the biggest, it is the most powerful, it is the richest, and it is the most influential. Quite often it receives criticism, whether it is from this country or others, in terms of being the popular whipping boy for everyone's concerns.

I do not pretend to be a military expert, nor an expert on the Middle East. One of the most popular words in describing the affairs of the Middle East is the word complicated. It is in everyone's vocabulary. My colleague who just spoke before me eloquently, compassionately, and passionately referred to the word "complicated". I do not pretend to stand in this Chamber as an expert on that part of the world nor on military exercises. In terms of what I hear from my constituents and what I hear in terms of my discussions with Canadians and others, the situation is that if we have not acted—and when I say "we", I mean the international community—where would things be today? If no one would have stood up to Mr. Saddam Hussein, would he be comfortable now in perhaps also having invaded Saudi Arabia?

Would it in fact have destabilized more than it has already the coming together of an international resolve of enormous repercussions and of enormous consequences in the positive light of the speed with which the Soviet Union has had its own economic and political revolution and the speech with which we see the changes in eastern Europe?

If we had not stepped in as an international community, the question of what would have been can never be answered. The answer potentially in some people's minds is a very scary scenario. In general I think the actions of the international community meet with very

much favour in this Parliament and in fact across this country.

When we talk about things moving very quickly in eastern Europe or in the Soviet Union, we also have to say that the number of movements in the Middle East has been incredible.

Who would have thought several months ago that an Arab country would have actually publicly invited the United States of America to send troops on its soil? Who would have thought that Saudi Arabia would have permitted 100,000, 150,000 or 200,000 troops on its soil to defend not only sovereignty but to do so against another Arab country? Who would have thought of it back in May or June? Who would have thought that Syria would have been fighting side by side with Americans boys and women, when in fact several years ago the Syrians were targeted by the Americans and other in the sense of being one of the culprits for international destabilization and acts of terrorism? Today they are fighting side by side. Who would have thought that Egypt as well would have been participating and giving the green light to the Americans to do what they are doing today?

When we speak of changes in eastern Europe and in the Soviet Union, we also have to recognize that there have been great changes in the Middle East as well. Changes come and changes go. Friendships are made and friendships are broken. Allies are convened and alliances are disposed of as well. While I generally welcome the unity of Arabs together with the Americans and the international community, I also caution Canada and the United States not to forget and dispose of the long trusted alliances that we have seen between Canada and the United States in that part of the region.

Israel is a perfect case in hand. Israel is by no means perfect, like Canada, like the United States, and like every other country. My good friend who spoke before me talked about truth. He talked about deception. He talked about lies. Who knows where that truth lies.

I do not think we should fall into the trap that Mr. Hussein tried to set for the international community in suggesting somehow it was evil Israel that was behind the Americans doing what they are doing, that somehow it was flying by disguise in American planes. We should not fall into the trap of a leader who was desperate to regain his foothold in the Arab communities he had lost. Nothing more unites a number of the Arab countries than that word called Israel.

We also have to recognize that we have alliances with that country and have had them for a long time. We also have to recognize when my hon. friend speaks of freedoms and democracies that it also happens to be the only democracy in that part of the world, the only democracy that has a forum like this one, where deputies can get up and debate the issues of the day, the only place where people have a vote.

I do not see this aggression as an aggression by the Iraqi people necessarily. I see it as an aggression by one individual who I think sees a lot of potential glory for himself. There probably is a great deal of trouble underground with this man called Hussein in his own country.

How long did it take the Soviet Union to change? How long and how many leaders have we had to go through for the Soviets now to enjoy a bit of the democracy that we enjoy every day and take so much for granted? It was not until Gorbachev came along and gave some power back to the people. Now he has his problems as a consequence of democracy, but they are better problems than the problems of totalitarian regimes.

That is also the situation in the Middle East—military regimes and dictatorships. When I see the new alliances I see that things are changing, but I also say that we should be very careful not to dispose of old alliances. Israel has been an alliance and Israel has been a friend, and we should continue to be.

Despite the fact that the Palestinian question should be uppermost in any agenda facing the international community, no one doubts for one moment the urgency of any peoples in that country to have a homeland, to have a place they could call home. However, it would be too simple to cast blame only on one side and not look at the realities of the other. The refugee camps in the West Bank are still in existence. We should also be mindful of the fact that those same refugee camps existed when it was under Jordanian rule. When Jordan had the West Bank they were still Palestinian refugee camps. When the Jordanians governed that part of the country which is now under occupied territories, there was not one

university. There are now six. There were not the opportunities of work that there are now.

We talk about the truth. We talk about historical forces. We talk about manipulation. Also we should recognize that the Palestinian question also unfortunately serves the political agenda of certain Palestinian and Arabic leaders, but the people who lose are the young, the old, and the Palestinians who go without a home. The situation is not so simple that we can cast blame on one side and ignore the realities of history and the reality of present circumstances. While there are changes we should also keep in mind the alliances that have stood firm through the test of time and through the test of challenges.

• (2010)

In terms of the Canadian participation let me first salute the men and women who are presently in the gulf. These Canadians are acting on behalf of this country and symbolically acting with the world. I salute them this evening because they merit saluting. There is no greater service to one's country than through our Armed Forces and those who defend the country.

I like every other member of Parliament have people within my riding who are serving in the forces. I have 83 such Canadians in my federal riding of York West. When we go down the list of their names it really speaks boldly and proudly about this place Canada. They are people like Staliano, Ross, Sala, Rosenberger, Samute, and Sigh. They are all Canadians, regardless of their cultural backgrounds, all Canadian Armed Forces personnel from the riding of York West who are now in the Middle East.

I believe that there are two things that need to be said about the process by which this Prime Minister has led the forces in the Middle East and in the gulf. The first one is the uneasy feeling that people have about the fact that the voyage departed before UN concurrence was obtained. There was a very uneasy feeling among many Canadians. Despite their feelings as to what Mr. Hussein was trying to do, they were uneasy because they did not like the idea of losing any independence that we had on the international stage or the idea of trying to be subservient to the President of the United States when he beckoned our Prime Minister to the United States.

I believe there was some discomfort because it did not show the patience and the strength of trying to provide on day one a mission that was sanctioned, that was given the political green light under the auspices of the United Nations, which I am proud to say has always been the mark of past Liberal Prime Ministers when asked to serve.

The second aspect of the process, as opposed to the substance, was that this country and this Parliament was kept completely in the dark, as many members have said before me. The American President met with his Congressional leaders. He went on national TV to talk to Americans in their living rooms. He held daily briefings for the media of that country and was able from his golf cart to suggest the latest, even though I disagreed with that kind of image politics that everyone read through.

Where was our Prime Minister, in comparison? Did he speak to the opposition parties? Did he consult opposition leaders? Did he contact CBC and CTV to try to broadcast into the living rooms of Canadians from coast to coast? Did he offer daily media briefings so that we could at least communicate with each other? No, he did not.

I know he had a barbecue in Washington. I know he came back to his residence and everything was secret. The Minister of National Defence was called in. The Secretary of State for External Affairs was leaving, but Canadians were left wondering where was Parliament, the forum of national debate.

Why was Parliament not recalled? There was no debate. There was no discussion. There was no attempt at one resolution so that we could speak as one voice, offer a political resolution to the House of Commons and speak internationally for a change, rather than try to divide and conquer domestically. Several years ago, the Prime Minister realized that 174 people who arrived on the east coast one fine summer constituted a national crisis. When we allow 200,000 immigrants a year, when we allowed 100,000 Vietnamese boat people in 1980, all of a sudden 174 people constitute a crisis. What was his response after he falsely said it was for a crisis he called an emergency sitting of this Parliament? Can you imagine anything more despicable, more manipulative and anything more misleading in your lifetime? I cannot. The Prime Minister was low in the polls then and tried to step up those polls by stepping on the so-called refugees. He is low in the polls again today. Rather than having

manipulated a false crisis, his responsibility ought to have been to react to a real crisis this summer, which he failed to do.

The Prime Minister had to stop the ships off the coast of Sicily because they were getting to the gulf too early. If they arrived there too early it would have triggered an earlier debate in the House of Commons. What an embarrassment it was to stop our ships midstream because the Prime Minister did not have the courage to face Parliament.

Mr. Speaker, you rightfully indicate my time is up. There is much which this Prime Minister and this government have to face. He is fortunate that he has been embraced in the sense that the international community has acted, but he should have done it like the other countries where Britain, France, Italy and countless others had the courage to take their people into their confidence and in a time of crisis unite them and stand united. That was not the case in this country and we are proud today in spite of this Prime Minister and in spite of this government.

Mr. Shields: A point of order, Mr. Speaker. I wonder if all members of the House would consent to allow the Pages to leave now. I do not think we really need them. It would be good for them to go home. They have things to study. They have exams tomorrow. I think it would be all right if we could let them all go home.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The Pages can leave.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a very straightforward question for the member who just spoke, the chair of the Liberal caucus. There were discussions earlier in the debate about the possibility of another motion being put forward.

A Liberal member for one of the Toronto ridings indicated that he would be prepared to support the terms of that motion which the government sought to introduce. I wonder if the member who just spoke could indicate what position he will take with respect to the resolution now on the Order Paper to be voted on. Does the hon. member intend to vote for or against that motion in the event that the amendments on the Order Paper are not adopted?

Mr. Marchi: Mr. Speaker, my message, to paraphrase another great Canadian, is just watch us. I think he should just have patience. I believe that in the finest traditions of the House we, in the Liberal Party, have no apologies to make whatsoever in trying to galvanize a unified solitary voice emanating from this Parliament.

Because the Prime Minister was incapable of putting a motion before us that would speak to that, because he did not recall Parliament, we saw and felt the need among Canadians in terms of their aspirations of wanting some leadership. We have discussed with various parties in this Chamber the possibility of having a motion that truly speaks to the greatness of this country, its ambitions and aspirations. We will continue those discussions.

• (2020)

We take no lessons from a New Democratic Party that has very little credibility when it comes to defence matters and very little credibility when it comes to NATO. We used to have the former leaders talking about pulling out of NATO. That was when the NDP was unpopular. Do you remember those days?

All of sudden, for a short span of time back in 1987, Ed Broadbent jumped to the top of the polls. Then they asked him what the NDP policy was on NATO. This is when he was very popular. He said he might not contemplate pulling out of NATO in the first year of their term of office. I realize where my hon. friend is coming from and I realize where he is trying to go. Before he tries to talk to the Liberal Party he should realize that neither he nor his party has a monopoly on virtue, let alone defence.

The Acting Speaker (Mr. Paproski): I have another question from the hon. member for Eglinton—Lawrence and then I have another question for the hon. member for Saint-Denis. If there is time, I will come back to the hon. member.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I shall try and be brief.

Since my hon. colleague from York West has put so succinctly the Liberal position on a hypothetical situation and has indicated that he is also very familiar with the way the NDP would vote on a possible amendment, I wonder if he would share with members of this House his perceptions on what the NDP will do in the event that their amendment does not pass. What will they do in

the event that the amendment for which they negotiated, which was supposed to take the place of these other amendments is not introduced? Also, what will the NDP do on the main motion and on the Liberal motion?

Mr. Marchi: Mr. Speaker, my friend from Eglinton—Lawrence asks a very interesting question. Perhaps indirectly, he answers the question of my hon. friend from Burnaby. I must be honest with my friend from Eglinton—Lawrence. I do not know from one day to the next what the New Democratic Party is going to do or what it stands for. If you recall last week when their House leader, on a Thursday evening, made his maiden speech in the Senate. He called it tyranny.

The next day, Friday morning in Question Period, the House leader suggested that the Senate does not work and it should be abolished. One cannot have it both ways. That is the fallacy that underlies many of the pronouncements and many of the policies of the New Democratic Party.

My friend from Eglinton—Lawrence will now have a chance to see what the New Democratic Party is all about in the province of Ontario. I noticed the remarks made by the member for Eglinton—Lawrence on post interviews of what happened. He quite rightly pointed to a long list of commitments and promises made by the New Democratic Party. The sixty-four thousand dollar question is, will they keep those and at what cost? I must be honest. The New Democratic Party confuses me from day to day. I am not sure where they are going to be Monday because today is still Thursday.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I just want to make a comment while my colleague from Toronto is speaking. I am sure it is an inadvertent comment because these are very important facts. I know that some people in the world would like us to say what he said. I am sure he did not mean it. I consulted with my friend, the admiral of the fleet of the Liberal Party from Newfoundland. First, I did not know it was a debate on Israel or I would have adjusted my speech but it is too late. Second, he called the state of Israel our ally and friend.

It has to be corrected. It is important to correct it, because the meaning of ally means more than a friend. Israel is a friend of Canada, but we are not an ally. It is not our ally. I stand to be corrected, but the military implication that suddenly Canada is an ally of that friendly country called Israel would be immense. I am sure he does not want us to drag Canada's youth into the problems of the Middle East.

Mr. Marchi: Mr. Speaker, speakers before me more eloquently talked about the Palestinians and the Palestinian question.

There have been a lot of comments about the Middle East. How the member who is a noted internationalist would speak of the Middle East by only speaking of the Palestinians without the state of Israel is a debate that will never start.

I also referred in this context to the fact that Syria right now happens to be an ally. Egypt happens to be an ally in the situation of the gulf. I make no apologies for what I said. I consider Israel a friend and an ally. I repeat that for the record.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my comment will be very short.

In response to the question from the member from the NDP, I thought that when we were in the negotiating process outside this House that those negotiations were held in confidence and had a certain degree of privilege attached to them, or else the negotiating process would be of no avail.

I would like my friend from York West to comment on that, please.

Mr. Marchi: Mr. Speaker, once again we see that my hon. friend from Thunder Bay, while being elected in 1988, is an astute observer of the workings of this Chamber and Parliament.

I think the frustration that underlies this question is once again the reality which we face. There is one face which the New Democratic Party tries to put on with the Canadian people. We know a very different face, and I believe that this debate ought to try to have one solution wherein all the aspirations if possible can be met.

I heard previous speakers talk about the possibilities of why the Middle East problems have prevailed for so long. What I think my hon. friend from Thunder Bay is trying to suggest is that we have expectations that a

problem like the Middle East will be solved. Yet, if we cannot resolve differences on one motion that would communicate a message to the world and to the country, then we do not really have the right to be speaking of very complicated international problems that should have solutions.

We, in the Liberal Party and caucus will continue to do that because we feel it is an honourable undertaking.

The Acting Speaker (Mr. Paproski): I will allow one supplementary.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I will be brief, but I just wanted to clarify one point for the hon. member.

Certainly, I did not expect that the Liberal caucus on this question would speak with any sense of unity or one voice. We know that there was blood on the walls of the caucus room when this issue was discussed.

The question that I was raising is not in the context of secret backroom deals which the people of Ontario rejected in electing a New Democratic government. It is not in that context. It is in a very open context. If the hon. member does not want to answer the question, certainly the people who are viewing the debate can come to their own conclusion.

He says: Just watch us. Canadians remember the last time that a former Liberal leader said that. I want to ask the member once again, give him an opportunity to recognize that Canadians do want openness. Does the Liberal Party and the hon. member support the government motion? Should amendments be accepted or not, yes or no?

Mr. Marchi: Mr. Speaker, the former Prime Minister that the member alluded to will go down in the annals of history as one of the greatest prime ministers who ever governed this country. I do not say that easily, because there have been a great many tremendous men who have come before him and no doubt will follow.

Certainly, in terms of the comment that alluded to a previous time, that too enjoyed tremendous public opinion and favour.

• (2030)

This was a former Prime Minister who enjoyed not only the respect of Liberally-minded individuals, but in talking to average Canadians, whether they disagreed with Liberal policies or not, there was a certain respect for that individual that transcended the abilities and the attempts by the current regime to be loved by all people, including this gentleman's party. We will continue, as I said, to strive for oneness and to speak with one voice, aided by one great speaker.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, in 1964, I happily made a big decision. I wanted to get into federal politics by running for a federal seat. I was involved in politics ever since I could remember. I was supposed to run for the Quebec Liberal Party in 1960, but I agreed to yield my seat to the hon. René Lévesque. I had a passion for politics and a passion for my country. A passion for my country, meaning Canada. And I say it in French: "La passion de mon pays, le Canada". I also felt that a federal member had to be concerned about provincial matters, about families, the elderly, the needy, the handicapped and those unable to defend themselves. We must understand that in Canada, people are different. Mr. Speaker, I like you and I respect you, but your cultural background is different from mine. So I tried to understand inter-parliamentary and inter-provincial relations.

My second reason for getting into federal politics was my great interest in international politics. I demonstrated this at the University of Ottawa by organizing a demonstration against the racist policies of Governor Faubus of Arkansas. I don't have any notes, it's not in my notes. We burned him in effigy at the University of Ottawa. That resulted in hundreds and thousands of protests and congratulations from all across United States. Why? Because a reporter who knew me was there, covering the news for the international media. This caused a lot of problems with the authorities at Ottawa U which at the time was run by the Oblate Fathers. Attracting attention was a no-no. We always had to conform.

[*English*]

You were not allowed to dare—

[*Translation*]

I always like to—

[*English*]

I always loved to dare to be different in international politics. I know many of my colleagues seem to be friendly to me and I appreciate this very much. Our young colleague in the NDP, for whom I have great esteem for his brightness, his energy, and his courage, has tried to divide us. He knows I do not play that kind of politics. That is the only place where I will disagree with him—trying to say that there was blood in caucus yesterday morning. There was no blood. If there were blood, I would be the one who would be bloody.

[*Translation*]

Yesterday, emotions ran high, but this evening I will try to be at least outwardly calm.

I am going to tell you, without actually doing so, what happened in caucus. Yesterday, I explained more or less what had motivated me throughout my life: my country, Canada—it seems it isn't very popular right now to say this in Quebec but I am going to say it anyway and my abiding interest in international problems.

Even when you are misunderstood and harassed and blackmailed, you have to stand up to defend your views, while respecting those of colleagues who do not share them.

I watched the debate this evening. It was about everything except the debate. There is a motion. It's not very complicated. To Canadians who are going to listen to this, let me explain that we have a government motion that was amended by my party—I repeat, my party—the Liberal Party of Canada, and again amended by the New Democratic Party.

Well, I have read and I support the NDP amendment. I didn't think twice about it. And I will tell you why. Of course, as a member of this party, I have not really had a chance to disagree, but my time will come. However, I support the amendment presented by our competent new External Affairs critic. He is brilliant, intelligent, but always uneasy when the subject is the Middle East, like anyone else, like me and like the others. But he is brilliant and intelligent, and he has his heart in the right place. I hope to win him over on the Middle East.

So I intend to vote for that motion. But I cannot vote in favour of the government's motion. In any case, my colleagues— At least, not for the motion before the House, and as for a future motion, I haven't heard about it, because this is all going on behind the scenes. Some members are consulted, others aren't. Imagine! I say this for the benefit of those listening because I intend to ask my friends to review my speech—I told them about it—because for me, this is a very demanding debate. So I will try to be very calm as I prefer to be on these serious occasions.

What really upsets me, and that is why I intend to defend the amendment of the Liberal Party of Canada, and so I should, because it condemns the government for not having recalled Parliament. And I think that is quite obvious, Mr. Speaker.

In 1986, Parliament was recalled for a minor incident, compared to what might happen in the Middle East—it was about the Parole Board. In 1987, Mr. Benoit Bouchard said: "Parliament has been recalled—

[*English*]

—to deal with an issue of great national importance.

[*Translation*]

At issue were a few miserable Tamil refugees in Nova Scotia. The nation in an uproar! Canadian racism! People were horrified because these refugees probably did not have the same colour of skin as my friend from Toronto or my own— people often tell me that if they had been Poles or Germans or people like that, there wouldn't have been this uproar in Canada. However, the government was up in arms and Parliament was recalled. I found that positively horrifying.

An international crisis is in the making, and the Government refuses to call back Parliament. That is what the Liberal amendment is about. We won't recall Parliament because it's nothing serious. Nothing serious at all. We are going to send young Canadians—first three ships, three ships which my eminent colleague, Admiral Fred Mifflin, had under his command—we start with three. The great Canadian contribution, in answer to the call of warriors Bush and Thatcher! We are doing our bit for the war effort.

• (2040)

But this is not enough, because if you send three ships you need someone to defend those ships. So we are sending 18 CFs to protect our ships. But there is more. I hope everybody is listening very carefully. We also had to send several hundred people to take care of these planes. And there isn't a war on yet. There is no conflict.

I said earlier that in my student days I organized a demonstration against Orval Faubus. In 1957, I set up the National Welcome Committee and I was a student coordinator when we received the Hungarians who came to Canada, who had left their country and who went as far as Vancouver. There was a reception in every city. Later, in 1968, I was a member of Parliament, and I was involved and went to take a look personally in Czechoslovakia. I defended and protected U.S. draft dodgers. There is an American book on the subject, and I was surprised to see it was written in 1970, and the title is *The New Exile*.

[*English*]

I wish you would read it. There are just two or three pages that tell what I did, because others could not do it. It states that the man the hon. member mentioned, one of my ex-leaders, Pierre Elliott Trudeau, could not do so. I was used willingly, because the caucus was divided. It seems we are always divided on great questions. It is all right. That means vitality. Maybe it is a speech of return that I am making, but I want to show consistency. That is why I am trying to enumerate, not to be pompous. I hope people who know me know that I do not give a damn. But I want to show that I have always had that commitment of daring and of consistency.

I was a delegate, appointed by Pierre Elliott Trudeau, at the United Nations in 1974 when Arafat said: "Please listen to me. Don't let me down." The western world, instead of listening, boycotted Arafat. I am the only one who stood up. I was blamed by the Right Hon. John Diefenbaker, but Trudeau did not recall me from the United Nations.

But I paid a hell of price, my dear friends. I do not mind. We should have listened to that voice in 1974 that was saying: "Please don't let me down." Remember what happened in Lebanon in 1976, and on, and on. Again, it is this refusal of being there at the right time, instead of waiting for contamination and then finding a solution.

Of course, this invasion of Kuwait by Saddam Hussein is unacceptable. I have met Saddam Hussein. I spoke in the Parliament of Kuwait. That was before the Emir disbanded the parliament because he did not like it too much. Perhaps it was going too fast. Of course, I condemn that, but let us go back to the source. The young people today would like to benefit from the dividends of peace. Have we forgotten who gave him the best of arms and arms—

[*Translation*]

Well, I know and Quebecers know that despite its competences our army certainly does not have all the sophisticated weaponry that the super and intermediate powers were fighting to sell to Iran or Irak for eight years, to Israel and Syria— I name them all because they are all countries to me. And today, it seems to come as a shock, as an insult or just as a surprise to some people suddenly to discover that Saddam Hussein is a great military man. The military strength of Hussein is incredible. But who armed him to the teeth in the first place? We did! That is a fact.

So there is a question we must answer. I was saying that as a proud French Canadian, for which I insist there is no translation—

[*English*]

I am a Canadian français. There is no translation for that.

[*Translation*]

But with an abiding concern for international affairs, I said to myself: What would Canada's role be in this kind of crisis? And that, hon. members is why I am disappointed in this government which failed to take advantage of Canada's extraordinary reputation throughout the world, which did not know what Canadians want—

[*English*]

What Canadians want is not to say yes, Mrs. Thatcher, yes, Mr. Mitterrand, yes, Mr. Bush. It is to be that kind of country where you have the Marchi, the Comuzzi, the Volpe, the Prud'homme and the Paproski. This is the kind of country that could be so exciting. What kind of international role can that country play? What role can it play at the United Nations? Have you seen any nervousness of this cabinet?

Mario Andreotti is my master of international politics. He writes to me, could you believe that? Ask Mr. Bevilacqua. He used to read the message to me because it is in Italian and he writes so small. But he is my master

in international politics. He is working hard. Mitterrand, he is working hard.

Let me ask a small permission. As long as I am not too attacking, I am sure I will get it. What I would like to know of my colleagues, Canadians, do we really reflect the kind of action Canada can better play than to send, with all due respect, three ships and 18 planes? Is that not what Canadians really would prefer even though people see how Gallup last night says 58 per cent approve of the government's action, so we all get excited. We say we cannot vote against the motion, 58 per cent. It may be 38 tomorrow, and maybe 12 if war starts and we lose young Canadians who could have been used otherwise diplomatically. And I will tell you why. Canada is one of the few countries that already has Canadians over there.

The Associate Minister of National Defence, a gracious woman, nice lady, nice member of Parliament, said she felt great last night for these 900 and 500, but I feel equally great, my friend from Toronto who is listening so intently. He thinks I am going to explode. I will surprise him.

We have hundreds of young Canadians on the Golan Heights. We do not talk about that. The pride of Canada, Mr. Speaker, a hundred young Canadians, young Canadian girls and boys are in Cyprus. They are the pride of Canada for our reputation.

My colleagues, I could speak for hours. I prepare myself accordingly. Do you know how many resolutions there are on the Cyprus question, asking ask Turkey to get out of Cyprus that it has occupied 40 per cent since 1974? Have you ever mentioned that? Have you ever heard about that? No, as someone would say, there is no oil there.

[*Translation*]

200,000 refugees out of a population of 600,000, and we do nothing, we say nothing. We have young Canadians on the border between Iran and Irak, we have young Canadians in the Sinai. What kind of role do you think Canada will be able to play tomorrow, hon. members? of course, there is the economic blockade. We are helping to enforce. It was a UN decision. I support that decision. We support it. This military aspect, is that Canada's calling? I say no. How many countries now contributing to this major military effort are also considered to be supportive of UN contingents? Few. Examine, look around! All of a sudden we have a crisis on our hands. I am very glad that the United Nations should experience such renewed vigour, despised as they are by the Americans who still owe them in excess of $500 million. The United Nations may have to close the shop. Then overnight there is a world out there because the Soviet Union is falling apart, they are no longer a dangerous military power, so now there is no problem. Good. But we will have to respect all United Nations resolutions, not just some of them. Those of Cyprus. Go and ask—

• (2050)

[*English*]

Go and ask your friends of Greek and Cypriot origin, numbering some 200,000 in Toronto, if Marcel Prud'homme is a kook in defending the importance of respecting the United Nations resolution on Cyprus. Ask them in Toronto and Montreal. I know the answer.

The Acting Speaker (Mr. Paproski): The hon. member's time has more than expired. Does he have unanimous consent to continue.

Mr. Prud'homme: One minute.

Some hon. members: Agreed.

Mr. Prud'homme: I will not be provocative. I thank the House.

There have been a multiplicity of resolutions on the Middle East by the hundreds. The United States used its veto 20 times. I could go on and on, but because the House has been indulgent, I will not abuse the privilege.

Tonight I could have been negative. But as most of my colleagues know there is a little something in me that says even if I am outraged about something, I still prefer to try not to go the anger route, but try to convince people that this country, so beautiful to work and live in, has such a great role to play in the world. I am not going to beg to do that on my two knees because I come from—

[*Translation*]

—the Province of Quebec and I am a French Canadian. Never will I go down on my knees before the rest of Canada to defend my views because to me that is only part and parcel of what Canada is.

I could have talked to you about this newspaper—

[*English*]

The Suburban, Montreal. So, I will be positive, I will only attract attention. If people want to know what they write about me, every Quebecer, Canadien français, knows about that paper. *The Suburban*, Wednesday, October 17, page A5. I am told that is one good way I am told to attract attention. Please read that. *The Suburban* is a sick paper from west Island Montreal.

[*Translation*]

But like Gorbachev once said here in Parliament, while dogs bark the caravan goes by. So I would rather not comment on that. But all I am asking, dear colleagues—I wish there were more of you, I realize that international affairs wear people down, so before I tire you out and abuse I want to assure you that I deeply regret the fact that the government did not see fit to recall Parliament for an emergency debate. That is the resolution of the Liberal Party, of the Official Opposition, to censure the government for failing to recall the House. I will vote in favour. We should not wrap ourselves in the flag of the United Nations— Not the United States. I have nothing, I am pro-American. I do not like their foreign policy in the Middle East. That is all I am a very civilized man. As neighbours go, they are terrific, but I do not want to take orders from the United States. If this is a United Nations mission we will take our responsibilities.

I know—and I will end on this note, Mr. Speaker—that a catch-all resolution is being drafted so that all members might vote with a clear conscience.

Because, in conclusion, I must say that some people have been very nervous over the past week. Because they do not want to discuss the real issues in the Middle-East, they do not want to get to the bottom of things. My colleague from Gatineau—La Lièvre did so in such a brilliant manner. We must get to the roots of the larger problem.

But remember that on October 29, 1947, my country—

[*English*]

—your country, my colleagues, November 29, 1947, voted at the United Nations to create two states on Palestinian land, by a vote of 13-10. I think I know my facts very well.

Why do we not finish that job too? Do not be afraid of those who talk about linkage. I heard colleagues say: "We must not have any linkage", as if these things are not links. We must have that first. Fine. Let us solve that one.

But we must also be prepared, and announce ahead of time, that immediately upon having finished solving the Iraq-Kuwait issue, it should be well known internationally that there will be as much devotion and passion in the world community.

We should first solve what is going on in the Middle East. Then Marcel Prud'homme will be the happiest person because he will have the same devotion to his country and, hopefully, to international affairs. But do not ask me to be someone else in my country. I will always be myself. I have as much pride as anybody else.

I have much interest in world affairs, and I think that this government will find it unusual to hear me speaking so vigorously against the government. I think that the government has failed me—of course when I say me, I mean Canada— on this particular issue by not using this opportunity to see what all of us, together, the Marchis, the Comuzzis, the Mifflins, the Robinsons, the Prud'-hommes, the Paproskis can do to see if there is not something different, if there is not a role that could be different for Canada at the United Nations and in this crisis.

That is why I will vote for the motion. I am a responsible person. That is why I will vote for the amendment. That is why I will vote against the motion of that government because I am against it.

I am told now that there is a surprise coming. Well, my commitment at the moment is to vote yes, yes and no, and wait for the surprise, but I hope some people will take me in their confidence. As the oldest parliamentarian, I can only smell that there is something going on, but everything is escaping me. I almost live in this Parliament, so it is very difficult to escape me because I am devoted to see what kind of country we want and what kind of role we can play in world affairs.

Mr. Speaker: I will allow questions and comments. The hon. member for Burnaby—Kingsway and the hon. member for Gatineau—La Lièvre, and then I will ask the hon. member for Eglinton-Lawrence.

[*Translation*]

M. Svend J. Robinson (Burnaby—Kingsway): First of all, Mr. Speaker, I wish to congratulate the Hon. Member for his excellent speech and especially for the courage he has demonstrated on this issue. I know full well that he has had to pay a very high price within his party for the courage he has shown from the very beginning on this major issue, demanding justice for the Palestinians. I know he has paid and continue to pay a very high price within his party, and I wish once again to congragulate him for his courage and the fact that he has always stated his mind on this issue of justice for the Palestinians. Mr. Speaker, he was attacked recently in a degusting manner in *The Suburban*.

• (2100)

[*English*]

I have two very straightforward questions for the hon. member. My first question is with respect to the position of the Liberal Party on this issue. I know my hon. friend does not necessarily speak for the party on this question, but perhaps he could clarify for the House the position of the Liberal Party—a party of which he has been a member for many years—with respect to the question of an international conference on the Middle East, a conference including all parties affected, as well as representatives of the Palestinians, which dealing with the issue of self-determination may very well lead to the creation of an independent state for the Palestinians side by side with a secure Israel.

Second, my question concerns the motion discussed by some members in the House and referred to by the hon. member for York West, the motion which the government attempted to put to this House a couple of days ago to which the hon. member for St. Denis objected at that point because quite properly from his perspective he had not been given notice. What is his position with respect to the substance of that motion? Does he support that motion as his colleague from Davenport and others have indicated, or does he oppose that motion?

Mr. Prud'homme: Mr. Speaker, I appreciate, and I talk to you as I have always talked to you privately, as a young friend. I find you bright, articulate, devoted and sincere. But, please, on this important issue, I hope that you are not trying to show that there is division in the Liberal Party. There is strong opinion in the Liberal Party on this question, but to me the subject matter is so important that I am not interested in showing there is division.

I am glad to report to you that ten years ago, or five, six, four, or three, we talked about international conferences and it was unacceptable. I am glad. I do not want to take any credit for anything any more in this House. I have not sat in this party yet, but I think we are moving there. So, I have little reason to rejoice.

Yes, I think it has to be accepted. I hope there will be a debate and I will then throw you the book. Give me two hours, and I will get out. I am even ready in two hours to get out of the House on this issue. I mean it, every second of it. I have paid too much in my emotion, my blood and my thinking to stand up for the damn thing because I am convinced it is in the interests of world humanity that we address the question of the Middle East as a whole.

Second, I will give you my position. I do not think it is the role of Canada to send troops. I will see what they say on Monday. They may know more than I on this resolution. I was not consulted. What I have to defend is what I read and what I read is that we will most likely vote on that. If it is like that, yes to your amendment, yes to our amendment, and no to the government motion. If others want to vote differently we will see what they come up with, but I will be surprised if they will get my support.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, it is true that the Hon. Member for Saint-Denis has always shown great courage; he has always stated his mind and always been consistent. It is also true that he has paid a high price for his convictions, but he was not afraid.

As he said—I am coming to my question—how does he manage—? He has always been recognized, and he often tells me: "I am a French-Speaking Canadian and proud of it!" God knows that he is recognized as such. Moreover, he has always spoken out against the fact that the United Nations and the major powers have never helped Cyprus against the Turks who raped the island.

Being a proud Canadian and pro French-Canadian has he ever been accused of being against English Canada? Never! I have never heard that.

Has he ever been accused of being against the Turks? Never! How is it, then, that when he tries to defend the interests of Palestinians or those who suffer in the Middle East, he is accused of being antisemitist? Could the hon. member explain that? How is it possible? You have been categorized in the *Suburban*, but I have never seen a Toronto newspaper accuse you of being against

[*English*]

Mr. Prud'homme: I will be very cool on that—

[*Translation*]

For me, as a French Canadian, it is natural. Any human being belong to a corner of the earth.

[*English*]

I will do it in English. Yes, I am *Canadien français* but I hope its for life. You understand that, but you have to feel at home. I have never known anybody since I have belonged to this country, in my country I am not recognized. I am not equal, so—

[*Translation*]

I am a French Canadian, but I am a Quebecer first, that is clear. Personally I have no problem. I know that tomorrow some people will say: He has defended Canada. It is not true! I said that I will never kneel in front of anybody, because I have my pride. But I recognize also that my friend Comuzzi has his pride, just as my friend Mifflin.

The second? My God, it is so provocating that I would rather pass.

[*English*]

In the spirit that we have developed tonight, I would not answer the second one. I will not, I regret. But I will make another statement for *The Suburban*, that doggy newspaper—I do not even know bad words in English, and preserve the House that I use the one in French. Just to conclude, I will not answer that except, and I am not afraid to say this, I have always said and it is on record in the House of Commons that anti-Semitism is a cancer. Do you understand what this means?

[*Translation*]

Antisemitism is a cancer which eats up the inside.

[*English*]

But how many times do I have to repeat that? I never receive any flattering article by the Canadian Jewish Congress or the Zionists of Canada and yet Marcel Prud'homme, *Canadien français montréalais* time and time and time again, for 25 years, has always said that. There is nothing worse than anti-Semitism because it eats you from the inside. Once you allow your heart, your passion, your head to become anti-Semitic you have opened the door to yourself to be anti-black, anti-Catholic, anti-everything you do not like. So how do I still feel so healthy? But I understand the passion of the people they want to defend. It is their problem. They should understand that the greatest friends of Israel are not necessarily their blind friends because their blind friends may not help that state to survive.

People like me, and I say it seriously, can do a hell of a lot more to say to people: "Hey, buster, that country exists. Canada voted for it. That country has the right to exist but like every other country, but the other one has the right to exist". I know it is a perpetual debate. If you want to know more, I conclude by a quote. Why do you not read a fantastic book. Parliamentarians, I will send all of you who are here tonight a copy free. I will pay for it. It is entitled *They Dare to Speak Out* written by an American parliamentarian. He explains what the outcome is all about in that book.

[*Translation*]

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I wish to comment on my respected colleague's speech. I had originally planned to ask the question my colleague from Burnaby—Kingsway asked, which brought to mind the following quote from La Fontaine, a French poet from the Renaissance:

> Flatterers laugh at the expense of those who listen to them.

I am very proud of my colleague from Saint-Denis for not listening.

• (2110)

The point I want to make in this debate tonight is that the hon. member for Saint-Denis touched on two themes which unfortunately come back often in our debates. One is passion for this country, an emotion all the hon. members must respect because, in our state-

ments, speeches and questions, we always talk about the interest of Canada, and not that of other countries.

The French language, Mr. Speaker, is a wonderful tool to express passions. I note that my friend said, and this is the second time I hear him say it: "I am a Canadian, yes, but French Canadian." The English language is not as precise. Blame it on the structure of the language. In French, Canadian always comes first. The second word acts as a modifier introducing an idea without cancelling out the others. Speaking with heat, my colleague also touched on a second theme: in this House, given the parliamentary system set up by the Canadians, it is always allowed to express dissenting views, because all the hon. members always put up with differences of opinions. Within certain limits, with your permission, Mr. Speaker! There are opinions we can respect without sharing them. I respect my colleague's position and I am glad that he made his position clear to our colleague from Burnaby—Kingsway on the motion debated tonight. It is a positive stance for the Liberal Party.

[*English*]

The Acting Speaker (Mr. Paproski): I do not know if there is a question, but the dean can answer that last question

Mr. Prud'homme: I will answer the second part.

[*Editor's Note: Member spoke in Italian.*]

[*Translation*]

Latin is certainly one of the languages I enjoy most as a listener because I understand it. But I simply want to answer on the first and not on the second. Do not be mistaken. When I say French Canadian, that to us is inseparable. It is not Canadian and— it is French Canadian. It is inseparable. It is inseparable in our proudness. And if people do not accept that, I am afraid a good many will drop one of the two parts and take only one. It is not because I want to please my colleagues, but I prefer saying that I said so because I believe it. This is not to please my colleagues. I say that because I am convinced, not because I want to be nice.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, having listened to the words of my hon. colleague from Saint-Denis, I wanted to rise in this debate because of the eloquence and passion with which he spoke.

Mr. Prud'homme: I hope you are not on standby in case I go too far.

Mr. Milliken: The hon. members says he hopes I am not on standby. Certainly not.

Mr. Prud'homme: In case I go too far, I said.

Mr. Milliken: In either case, whether he goes too far or whether he did not go far enough.

I was here, and I had this opportunity to participate. I decided I would do so after listening to his very eloquent contribution to this debate.

As someone who has watched this Chamber for a long time and hearing the hon. member speak with the passion which he did and delivering the address he did to the House tonight, I could not help but think back to days when I sat in the gallery of this House as a student in the sixties. The hon. member was a member of this House then.

He has been a member of this House continuously since that time. For well over 25 years he has served in this place. It is an enviable record, and one of very distinguished service to Canada in his efforts to ameliorate the condition of hundreds of Canadians as the member of Parliament for Saint—Denis.

[*Translation*]

I am very pleased to convey to him my congragulations because his impassioned speech was very good. As he said, when one has conviction, one must have passion. That is fine.

[*English*]

Of course, I also listened with some amusement to the questions put by the hon. member for Burnaby—Kingsway. I must say I share the words of the hon. member for Saint—Denis in describing him as erudite and clever. I am sorry that he has taken it upon himself to try to sow seeds of division in the members of this Liberal Party.

He is shaking his head and suggesting that it is not so. Words speak for themselves, and I am sorry that he is trying to be mischievous this evening. I would have expected better of him. Someone as eloquent and as capable as he is, I would have thought might have felt happier in the Liberal Party than in the New Democratic Party.

We have tremendous tolerance for varying viewpoints. One of the strongest points of the Liberal Party—I have watched it for a very long time—is its ability to open itself and embrace people of a great variety of opinions and views. The hon. member for Burnaby—Kingsway, instead of trying to accept that that is the fact, is busy trying to suggest that somehow because these views can all be accommodated in this great party, somehow a wedge needs to be driven in to drive some members out.

I suggest that it is unworthy of the hon. member. I would suggest that in future he try to contain his enthusiasm for wedge driving, and stick with fair questions that seek to elicit genuine information rather than these efforts to make people feel uncomfortable in the convictions that they hold.

Certainly, the members of this party are encouraged by the example of our string of distinguished leaders, and by the leadership of the party generally to hold their convictions.

The Liberal Party is in fact the party of individual rights. It believes in the worth of the individual, and it accepts differences of opinion. I ask the hon. member for Burnaby—Kingsway to bear that in mind when he presses his mischievous questions.

What I wanted to speak about tonight was something of some considerably grave concern, because I think the situation that we are faced with in dealing with this motion is one that arose out of a lengthy summer adjournment that this government foisted upon the House, and really upon the country.

I think it is fair to say that Canadians all across Canada were appalled when this crisis in the Middle East erupted. Indeed, there was another crisis as Your Honour will recall at Oka when the government, despite repeated calls from the Leader of the Opposition and the hon. member for Ottawa—Vanier who is House leader for this party, for the recall of Parliament at an early date to deal with these matters, stonewalled and refused.

This motion is the result of the government's reluctant recall of Parliament. It had to do it, because we had adjourned until September 24. To show that it was really serious about this, it introduced this motion on the first day back. It was debated for a day, and the government expressed some surprise that it did not immediately pass.

Apparently one day was supposedly enough to discuss this important issue. So, they called it another day, and at the end of the day, they said: "How long do you want? Why is this going on so long?" They gave notice of closure. They have never in fact imposed it, but they did come and say we are going to use it unless we get some kind of deal. Now we are sitting late to deal with this issue and we have co-operated in that. We have agreed to sit late in order to allow members who wanted to speak on this issue to do so. I am sorry that the government regards this as so unimportant that four days of debate, strung out over a period of weeks, is enough for the members of Parliament to express the views of their constituents on this very important issue.

• (2120)

I can think back to 1956 when the government of the day was faced with a crisis in the Suez. There was an immediate recall of Parliament to deal with the crisis. Parliament was called into special session. There was a Speech from the Throne and everything. A special session was held so that the members of Parliament could be present and discuss what the Canadian government was doing in an emergency world situation.

We were confronted with a situation that was just as grave, just as serious for world peace this summer. This government did nothing. It twiddled its thumbs and did nothing. It said we will send troops abroad, we will make our decisions but we do not need to call Parliament together. We do not need to discuss this with representatives of the people. We do not need to call the Leader of the Opposition. We do not need to speak to anybody. We will simply talk to the President of the United States, as my hon. friend from Thunder Bay—Nipigon has suggested.

We can talk to the President of the United States. If he says we should send troops, then we will send them. It was a deplorable approach to diplomacy and to the Canadian people. It was contemptuous of Parliament and an insult to the peoples' representatives here.

What the government is doing is exhibiting a pattern of contempt. As someone who appreciates this place and believes that the House of Commons is where matters should be discussed and disposed of, I am appalled at the record of contempt that is shown by the government throughout the two years I have been here. I know the hon. member for Saint-Denis with his 26 years of

experience could list far more than I could of the way this government has acted in its contemptuous fashion. I can think of a few items that indicate a similar approach to the House of Commons. The failure to call Parliament back this summer is only one. There has been closure used constantly in this House, more than all the other Parliaments in Canadian history put together. That is how often closure has been used in this Parliament. We have had time allocation used in this Parliament time after time. We had the government House leader on his feet the other day saying that in the six years it has been in office, it has used it as many times as the Liberal government had before. I do not think that is much of a record. When you add in the closure use, it is a much more impressive and debilitating record. It shows a tremendous contempt for Parliament.

There are regular lengthy adjournments. You would think that if it was using closure it is because it is jammed with work. But it is not. It uses closure, closure, closure. Then it says, okay, it is time to go home now early and have a long holiday. Do not come back too soon. It asks for extended periods off. We left early in June, we came back late in September. Last year we were off until an extra couple of weeks in January. The year before, we had an extended break. It would not call us back at all until after April 3, I think, in 1989, after a two week session in December. All through the December session in 1988 it used closure at every stage to get it all through in two weeks time.

There is a pattern of contempt and disrespect for Parliament of a constant unwillingness to meet the opposition to deal with us in this Chamber. Why? It is fear. The government members are afraid to face the music that is put to them by us in the opposition. They are afraid to listen to the voices of the people. The evidence of that is in the string of unpopular policies that it pursues when we are not here and when we are here. It says we do not really care whether you want to change this bill. We really do not care if you like our policies. We are going ahead with them anyway. Shut up. If you do not shut up we will put closure on you and shut you up. If that is not enough we will send you away for a long holiday so you really have not got a platform in Parliament to speak on. That is what is going on here and that is what went on in this case. Here we have the government choose to send troops abroad. There was a two-week delay while the ships were outfitted. Parliament could easily have been recalled in the two-week period and could have discussed this resolution or some other such resolution. And, instead of doing that, the government said that it did not need to discuss this with Parliament, it would simply leave it until September 24 when Parliament is back.

This was one other piece in the whole string of contemptuous actions to Parliament, contempt bred out of disrespect for the House on the one hand but fear on the other, fear that it does not know how to control the House, fear that it cannot control what the opposition says in this House, fear that it is going to have its sins exposed by the Opposition in this House.

I do not mean necessarily bad things but I mean the unsatisfactory parts of its policies are exposed and brought to light in this Chamber. That is what this place is all about, so that the deficiencies in the government's performance can be brought to light so that it can correct them, but the government resents having them exposed. I do not know why. It should say it is sorry it made a mistake and will fix it at once. But you never hear that, Mr. Speaker.

Who has been here in Question Period and has heard a minister of the Crown rise in his place and say, "The hon. member has a good point. There is a problem there. We will have to do something about that and I will see that it is corrected", and report to the hon. member the next day. It does not happen, the government never admits there was something wrong. If a minister of the Crown does not want to answer the question he always says how bad things were under the previous Liberal regime and how much better they are today. What nonsense that is. What Canadian alive today thinks things were worse under the previous Liberal regime, other than the members of the Cabinet who sit opposite. Virtually every Canadian you speak to says we have never, ever, ever, had such a bad government as this one.

No wonder it is afraid to face the people's representatives in Parliament. No wonder it sent the troops abroad and when there was a hue and cry it said, "Well, we are not calling Parliament. The last thing we need is a place for those people to utter their hues and cries and object to this".

Well, we do not object to it as long as these troops are under the purview, under the control of the United Nations. We support this; and we have said that all along. And we have said it because this effort on the part of the United Nations represents, as my hon. friend, the hon. member for Bonavista—Trinity—Conception has said, the first time the international community has acted in concert to deal with a world crisis. We have participating in this United Nations force, representatives of Third World countries, of middle powers and of the great powers and it is supported by all the great powers. Never before in the history of the United Nations has there been this kind of support for this kind of initiative. I think Canada, as a staunch supporter of the United Nations and its work, is delighted and should be delighted to be involved in it.

But surely we should have been consulted about our involvement. Surely that is reasonable and fair. Surely the people who have elected their representatives to sit here ought to have consultation, they ought to have some input into it and some discussion about it before it happens. And that is what I am objecting to, that that was denied.

We also feel that the attempt of the amendment that we have moved to this resolution, tries to assert in stronger terms the importance of the United Nations role in the entire crisis and the fact that we believe the Canadian troops should be under the direct control of the United Nations. We supported and continue to support the resolution that the government sought to introduce on October 16 in this House. And we would have preferred that that resolution be before us for debate now, because we believe that that resolution more accurately states what is intended by the resolution and the two amendments which are before us. We support that motion and still support that motion. And if we could have a vote on that one, we would support it.

I know that the hon. member for Burnaby—Kingsway is going to tell us that his party supports it too. At least, I think it does; it did the other day, but it may change. New Democratic Party policy, as I heard earlier, changes from day to day. Earlier this year the hon. member for Kamloops was up, speaking about the Senate. The NDP have been around the place, up the tree, and down the hole on the Senate so often that I do not know whether the hon. member for Burnaby—Kingsway could tell us the party position on the Senate. He must be even more confused than the hon. member for Kamloops who is completely baffled. I remember asking him a question last summer about their views on the Senate. He gave me an answer which was at variance with what he said a week before. Then he told me that that was a re-interpretation of a resolution passed at some convention they had had a few weeks before that. And that was different from the policy of the previous convention, because they no longer wanted to abolish it and they were in the process of forming some new policy on the Senate which I thought he did announce the night before, but apparently he had not. It was something different.

• (2130)

Really the confusion and obfuscation on the part of that party and its policies is sometimes a little disconcerting. I wish the hon. member for Kamloops were here, because I would be delighted to hear his views on this particular set of motions. I believe he was supporting the one that was to be introduced on Tuesday. I think he was aware of the terms, but I would not want to put words in his mouth.

I would be delighted to have the hon. member for Burnaby—Kingsway support the resolutions that we are supporting. We are delighted to be able to support his amendment. I think it is a reasonable and sensible one. I am sure he supports the very sensible amendment we have moved to the motion as well, and I expect he is going to vote for it when the time comes.

Mr. Prud'homme: How?

Mr. Milliken: I do not know how he is voting on the main motion. I assume the hon. member is voting—

Mr. Robinson: How are you voting?

Mr. Milliken: Having said that, the hon. member could save his question until the end. I know he will want to ask questions.

To conclude, Mr. Speaker, because I sense from your attitude that my time is about to expire, I want to say how pleased I am to be able to participate in this debate tonight, to share the floor with the hon. member for Saint-Denis who spoke very well, and the other hon. members whom I heard speak earlier; the hon. member for Eglinton—Lawrence, the hon. member for Thunder Bay—Nipigon whose speech was a good one, and of course, I heard the hon. member for Bonavista—Trin-

ity—Conception when he opened the debate on this motion.

All of the members in this party, it seems to me, have indicated with clarity our views of the position of the government on this matter, our abhorrence at its continuing contempt for Parliament, and our desire to get on with this now and allow the question to be put, and the matter to be dealt with so that the expressions of the wishes of the people of Canada can be made manifest in the House.

The Acting Speaker (Mr. Paproski): Questions or comments. The hon. member for Burnaby—Kingsway.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I know that the hon. member who just spoke about the clarity of the Liberal position will want to demonstrate that in responding to the question that I want to put to him about the intentions of his party, particularly his own intentions, on the vote on this important issue.

We heard from the member for Saint-Denis. He was very clear. He intends to support the subamendment. He intends to support the amendment, and he will vote against the main motion, if, indeed, those are defeated.

We have not yet heard from the very distinguished member for Kingston and the Islands on this question. He told us that he supports a motion which is not even before the House, but he still has not told us whether he supports the government motion which in fact is before the House. Now, I know his colleagues have dodged, bobbed, weaved and tried to avoid this question with one noble exception, Mr. Speaker, but I want to give the member for Kingston and the Islands—

The Acting Speaker (Mr. Paproski): Order, please. We are getting awfully close to the end. Would the hon. member please come to the question?

Mr. Robinson: Mr. Speaker, I know that the hon. member for Kingston and the Islands is somewhat rattled these days by the fact that he has a New Democrat right in the heart of his federal constituency, elected from the provincial constituency of Kingston. I know that rattles him.

I know that he is as confused as I am by the goings on of his Liberal colleagues in the Senate. But I want to ask the member this very straightforward question: Does the member in fact support the motion of the government which is on the *Order Paper* and which will be voted upon at six o'clock on Tuesday evening, or is he going to wait and refuse to tell the people of Canada and his constituents? Perhaps he has not made up his mind yet, that is entirely possible. How is he going to vote, yes or no, on the government motion?

Mr. Milliken: Mr. Speaker, it is the same mischief that the hon. member has been trying to put out all evening, but I am delighted to answer his question.

First, I must say I expect that the amendment that we moved will carry, so I think his question is entirely hypothetical. I fully expect that the members on the other side of the House will see the wisdom of our amendment, the folly of their ways, and vote for the amendment and I expect it will carry.

I can tell the hon. member without any shadow of a doubt, without any possible doubt, that I would vote for the amended resolution. That should make things crystal clear in his mind. I hope he understands that.

My expectation is the amendment to the amendment will carry, the amendment will then carry, and then we will vote for the amended motion which will then carry. I hope that that clarifies things for the hon. member.

He has raised a hypothetical question. He raises the question of what am I going to do if the amendment to the amendment is defeated, the amendment is defeated, and we are left to vote on the main motion. I will tell the hon. member my expectation is that I will vote against the main motion. But something could happen between now and Tuesday at six o'clock that would persuade me to change my mind. If that happens, then I might rise on Tuesday at six o'clock and vote the other way.

I invite the hon. member to attend in the House on Tuesday night at six o'clock and watch. He will see me vote. God willing, I will be here and I intend to vote the way I have indicated unless something changes.

Having said that, I know that the hon. member for Burnaby—Kingsway is planning a foray into Kingston and the Islands this weekend. I can only say how delighted I am to welcome him to my riding and I hope that he will be the very model of decorum and good behaviour and say all the right things to my constituents when he is visiting in the delightful riding of Kingston and the Islands.

The Acting Speaker (Mr. Paproski): There being no further members rising for debate, pursuant to Order made earlier today, the questions are deemed put on the subamendment of Ms. McLaughlin, on the amendment of Mr. Axworthy (Winnipeg South Centre) and on the main motion, and recorded divisions are deemed demanded and deemed deferred until six o'clock p.m., Tuesday, October 23, 1990.

It being 9.38 p.m., pursuant to Order made earlier this day, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 9.38 p.m.

HOUSE OF COMMONS

Friday October 19, 1990

The House met at 10 a.m.

Prayers

POINT OF ORDER

ATTENDANCE IN CHAMBER

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, for the last few days I have been busy working in my constituency. It has been brought to my attention that on every day in my absence the government Whip, the hon. member for Calgary West, has mentioned my absence from the House of Commons. He knows, as we all know, that this is a practice that we do not follow. I notice that the Chair has permitted that at every occasion and has not reminded the government Whip of that fact.

I understand that today is not the day to pursue the question and the allegations that the hon. member has made against me. I look forward to Monday when presumably we will get into an Albertan version of a parliamentary shootout. I do not plan to bow to any pressure from the government or from the hon. member for Calgary West in terms of supporting a special justice system for members of Parliament or a two-tier justice system. I do not plan to support that in any way or ever, regardless of the pressure brought against myself or my colleagues in the New Democratic Party.

I understand that today we will not be proceeding with the matter that has been raised every day in my absence. However, I want to say I am looking forward with a great deal of anticipation to Monday where I can reveal, presumably with my other colleagues, all of the story behind this initiative by the government to create a two-tier justice system, giving special privileges to members of Parliament.

Mr. Speaker: Perhaps I can respond to the hon. member for Kamloops and assure him that I made it very clear that we would not proceed with the question of privilege which was raised some days ago.

It is true there has been some mention of the absence of the hon. member from this Chamber. I think the hon. member would bear with the Speaker in understanding that at the insistence of the Chair, when an hon. member is unavoidably detained on business elsewhere, it is not appropriate to continue with the question of privilege. The hon. member will know that I made it very clear I did not think it appropriate to continue in the absence of an hon. member.

We do have a rule that we do not refer to the absence of hon. members. Sometimes, though, in the interests of fairness and in the interests of the proceeding it was necessary to make that point.

I would anticipate, as I indicated the hon. member for Calgary West yesterday, that at the very first opportunity we would continue with the question of privilege and, if it is convenient to both members and to the House, I would be prepared of course to hear that on Monday.

The hon. member might be able to contact my office and give me some indication. I will make similar inquiries with respect to the hon. member for Calgary West.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Friday, October 12, consideration of the motion of Mr. Valcourt that Bill C-74, an act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be read the second time and referred to a legislative committee.

Government Orders

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to talk on this bill this morning. I am very sincere when I say I do want to speak on it because it is a bill that affects most of my constituents. I know that it affects a lot of Newfoundlanders and all other Canadians involved in the fisheries.

What I plan to do this morning is give a bit of the background as to precisely what is happening with Bill C-74. I want to give the details of precisely what is happening with respect to the guts of the legislation. Then I want to provide a few editorial comments bearing in mind that this is the second reading and from here it goes on to committee. If we are anticipating hearings at the commitee stage, I would certainly believe and hope that my points would be taken account of in the commitee work.

At the outset I would like to say that his bill is essentially made or devised to increase the penalties for the incursions of fish habitat, essentially to make it more difficult with stiffer fines and longer jail sentences for those people who do not obey the Fisheries Act.

The Fisheries Act has been around for a long time. It was passed by Parliament in 1868 and, in short, it is a legal authority for the government to conserve and protect fish habitat where the fish live, swim, spawn, grow and are caught, and to control and manage Canada's fisheries.

To keep pace with the changing conditions the act has been amended more than 40 times in the past 122 years.

• (1010)

I think every member in this House is aware that the fisheries has undergone a tremendous amount of change in the past 10 years. It seems to me that it is always going through change, but I think more dramatically since the early eighties. We have had the Kirby report, the Harris report, the Haché report, and adjustment programs. The Senate has studied it and put out two reports. There has been a tremendous amount of change in the fisheries programs, in the licensing and in the regulations. This is just another attempt to improve. How perfect and how much of an improvement it will achieve, that will be the subject of my remarks.

The proposed changes, as I suggested earlier, will make the scale of fines and penalties for fisheries violations consistent with those that are contained in other legislation. This is the Fisheries Act. There is also the Coastal Fisheries Protection Act, which essentially looks after foreign fishing, and there is the Canadian Environmental Protection Act. There are certain fines and measures in these acts that were inconsistent with the Fisheries Act, which as I understand contains the domestic fisheries.

One of the reasons this bill has been put forward is to put the domestic fisheries on a par with and to make it equivalent or equal to the environmental business and the Coastal Fisheries Protection Act that pertain to foreigners. I will speak more about that later.

It is not a cure-all, but it will provide a part of the solution. There is serious need in the fishing community, as a whole, to be protected from any activities, especially illegal activities that increase the stress on Canada's fishery and may even endanger the livelihood of entire communities, the examples of which we have unfortunately have seen more and more in the past three or four years.

Of equal priority, those responsible for altering or damaging the fish habitat will face much stiffer deterrents under the proposed legislation for violations. Some activities that have the potential for harming fish habitat areas include logging, pulp and paper processing, industrial emissions that enter fish habitat areas, and bridge and rural construction.

The bill also responds to real concerns about the unreliability of the data that can be obtained under the current act, since both the sources of the information and the ability to verify it are very limited.

Mr. Speaker, you will recall that one of the difficulties as exposed in the Harris report and one of the difficulties that has emerged between the optimistic projections of the Kirby report of a 400,000 tonne total allowable catch and the present less than 100,000 or in the 90,000 tonne range which is essentially one-quarter of what we had been looking at less than a decade ago, has been the scientific data. While it is not my intention here nor will I castigate scientists, fish science like predicting the weather is a very inexact science. It relies on a tremendous amount of data for which we have not had the resources, either in manpower, in collection vehicles or

the records, to be able to support it. This bill does address the data collection aspect, and hopefully will improve the fairness and predictability for all concerned.

I was given to understand that these amendments reflect the concerns and the comments, both oral and written, of individual fishermen and their association. I must confess at the outset to having some reservations about that myself. I got off the phone as recently as 25 minutes ago to fishermen in my riding. None of them are too familiar with Bill C-74.

While I believe the Atlantic Fisheries Council and other organizations were briefed on the progress of what was going on, I consider a briefing somewhat different than a consultation. A briefing is: "This is what is happening", and consultation is: "This is what we are proposing. What would you like to see put into this?"

I regret to announce that once more I do not believe the considerable knowledge of the fishermen experts, who really after all are the best scientists when it comes to who are most involved and who are most affected by this, once again has not really been accounted for as much as I would be given to believe, had I read the propaganda that was put out by the government. However, I will say, on the other side of the coin, that those to whom I spoke believe that there is a need for stiffer fines for those people who are out to break the laws and, because of the need to conserve fish stocks, that is of tremendous concern to everyone.

I think this year I have attended a total of five conferences with a great number of fishermen and, if there is any such thing as the pendulum turning, my understanding as a politician from probably the largest fishing riding in Canada, the 295, is that fishermen are now saying: "Let us do what we need to do to conserve the stocks so that our total allowable catch will improve and that the fish stocks will improve over time". Mr. Speaker, that is the background. I am not going to go through all the details but I will give you some examples of what we are looking at.

Right now, we have a maximum fine of $5,000 or 12 months imprisonment on summary conviction for a general fisheries offence. That is going up to $100,000 on summary conviction and to $500,000 on indictment, with the court option of up to one year imprisonment on summary conviction, that is a summary trial, and two years on indictment. What we are looking at is a tremendous, quantum jump in fines and in jail terms.

For the obstruction of a fishery officer, the fine is now $100 or six months. It is going up to $100,000 on summary conviction and, again, $500,000 on indictment. For the alteration of fish habitat, and I spoke to this in my introductory comments, there is a fine of up to $5,000 now and it is going up to $300,000 on summary conviction and on indictment it could go up to $1 million. One million dollars seems awfully high but when we look at what is involved, the loss of people's livelihoods as well as whole communities, then I do not think it is that unreasonable. However, I will speak to those points in a few moments.

Mr. Speaker, I made reference to the Haché report and the Harris report. In the Haché report, which came out about four or five months ago, it was noted that the maximum fine of $5,000 for illegal groundfishing is looked on by the industry as the cost of doing business. In other words, one gets fined, pays the fine and gets on with it. I do not think that is right, quite frankly, and I think I am supported by most of the fishermen who will be watching this and who will read the presentation which I am making.

The report also noted that enforcement can be made more effective and less costly by focusing on the consequence of breaking the rules. The Department of Fisheries and Oceans did a statistical analysis and they show that the levels of fines, on conviction, average about 5 per cent of the maximum. Thus, while the maximum was $5,000 the fines often averaged $250.

The Haché report also observed that the motivation to misreport the areas and species fished was high. I do not have first-hand knowledge of that, I have to take into consideration what the report says.

The task force was told repeatedly by industry participants that they believed the data was flawed and, in the case of commercial data, the accuracy of the information received by the Department of Fisheries and Oceans was considered questionable, due to the large-scale misreporting and enforcement problems. Recommendations were made that would, essentially, amend the fisheries regulations in such a way that this would be redressed and, in effect, this is what we are seeing right now.

Mr. Speaker, the Haché report essentially referred to the Gulf and Fundy areas, as I understand it. I am much more familiar with the Harris report. It noted the misreporting of catches, bycatches, discard rates, and other significant inaccuracies in the commercial catch data. Dr. Harris emphasized that a vital aspect of management strategy must be the improvement of the quality of data used in the assessment.

Dr. Harris made two recommendations that pertain directly to this bill. The first one was that the Government of Canada should urge the appropriate authorities to treat violations of fisheries regulations, aimed at conservation, as a serious offence and to ensure that penalties imposed upon convicted violators be sufficiently onerous to fully offset any potential gains from violation. The second point was that the department should expand its data collection to improve the knowledge of effort levels and factors influencing the data of inshore fisheries and landing records.

• (1020)

I am going to give the House a record of the fisheries violation summary. 1988 is the last year for which complete statistics are available. The total number of convictions for fisheries violations in Canada were 3,325 which was an increase of 28 per cent over the previous years. The fines totalled $810,242, which was an increase of 91 per cent during that period.

In the Atlantic region that I am particularly concerned about, Mr. Speaker, the convictions totalled 1,366 with fines amounting to $489,759, an average of $358 per violation, as compared to the average, which I mentioned earlier, of $250.

For the record, in the Pacific region, the convictions were 1,959, amounting to $320,483 in fines, making an average fine of $266 and for sports fishing it turns out to be $90. Habitat convictions total 11, with an average fine of $3,135. That is all very well and it gives the background, some facts and figures.

I again note that we are at second reading. I have a number of reservations about this bill. The first one is that the present surveillance area and the increase in the surveillance area are both centred in the inshore sector.

I had a look at the Atlantic Fisheries Adjustment Program last night. As noted by the hon. member for St. John's East some time ago when speaking on this bill, surveillance has been allocated $57.5 million. I certainly laud that greatly because I have spoken in this House many times concerning the lack of surveillance. I laud this, but I still have some concerns for reasons that I will point in a few moments.

The government is chartering one offshore vessel in Newfoundland and five inshore vessels, so once again, Mr. Speaker, the focus of the activities is going to be on the inshore. I would be less than totally honest if I did not point out that I am aware of the observer program in the offshore which kind of makes up for the lack of patrol vessels. It is not all of one or nothing of the other, but it is my judgment that we should still strive to have a better balance for the offshore control in surveillance against the inshore.

The second point I have is that while the industry and fishermen have generally supported tougher legislation, I have a reservation that at least in my riding and for areas that I have spoken about, fishermen associations, have not really been consulted in the final form of the legislation. I do hope that during the committee stage that fishermen associations and the unions will be heard of to give their experience and their considerable knowledge so that we can tighten up the regulations even in a more just manner.

The question we really have to ask ourselves is that while tougher penalties are necessary, will the proposed legislation accomplish what it is intended to do, which essentially is to help the stocks be preserved, and, in our case, to grow.

The third reservation I have is that I think the government still lacks a comprehensive strategy to apprehend foreign violators, particularly American fishermen on the Canadian side of Georges Bank.

I do not want to relive the incident again, but I am sure that members of the House and anybody involved in fishing and enforcement recalls the very sad incident on December 11 last year when the U.S. scallop dragger, *The Concordia*, having been chased by the warship *Saguenay*, turned around and rammed the *Saguenay*. It is not the way it is supposed to be. It is supposed to be the warship that is supposed to ram the fishing vessel but it did not quite work out that way.

This is one example where we really need to have a look at the foreign fishing—

The Acting Speaker (Mr. Paproski): A point of order. The hon. parliamentary secretary to the government House leader.

* * *

IRAQ

INVASION OF KUWAIT

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I apologize for interrupting the member, but there have been discussions among the parties and there is unanimous consent for the following motion:

That Government Business No. 16 and all amendments thereto, be withdrawn and the order for deferred division of October 18, 1990, thereon be applied to the following proposed motion which would be moved by Mr. Clark and seconded by Mr. Andre.

That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2, and for the sending of members, vessels and aircraft to the Canadian Forces to participate in the multinational military effort in and around the Arabian Peninsula, and in recognition of the seriousness of this matter, accept the undertaking of the Government to present a further resolution to this House in the event of the outbreak of hostilities involving Canadian Forces in and around the Arabian Peninsula; and

That upon adoption of this Motion, the said Motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion.

Mr. Dingwall: Mr. Speaker, we concur with that motion.

Mr. Angus: Mr. Speaker, yes, we too concur with the motion.

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

Some hon. members: Agreed.

Motion agreed to.

FISHERIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Valcourt that Bill C-74, an act to amend the Fisheries Act and to amend the Criminal Code in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Mifflin: Mr. Speaker, I don't know what to do for a follow-on act.

The Acting Speaker (Mr. Paproski): Perhaps the hon. member would like to move to questions and comments.

Mr. Mifflin: Mr. Speaker, I have a couple of other punch lines I would like to invoke at this time. If I could be permitted an editorial comment, it is the finest Friday I have spent in this House in the two short years I have been in politics.

Mr. Manley: The first Friday.

Mr. Mifflin: Not the first one, John, no. I have spent the odd one.

I return to my concerns. When the hon. House leader interrupted, I was talking about an area with which I am very familiar, the ramming of vessels at sea in the pursuit of their duties.

Seriously, Mr. Speaker, if we are going to use warships to chase draggers, we have to be sure we do not lose the business. We have to make sure we are fully equipped, we need a good set-up and good communications. No one is laying blame in this case. I think if we had to relive the thing over, perhaps we would have done it differently. I have been in these conditions and circumstances myself.

I think the whole business of foreign overfishing and legitimate foreign fishing—and I will speak to this for one minute—inside the 200-mile limit, the other side of the House, and for a reason that I can understand, say: "Well, look, you Liberals are the ones that actually allowed the foreign fishing. You are the ones that gave the licences". I cannot deny that. I was not here at the time but that is fair enough. I accept that sort of criticism. When those foreign licences were given the total allowable catch was in the vicinity of 400,000

tonnes. Today, it is one-quarter that. I could not logically agree that we should continue to maintain the same foreign legitimate fishing inside our 200-mile limit while people cannot catch fish in their own home territories.

We are the only country in the world that gives away our main source of industry to other countries and watches them actually catch it. All I am asking is for a reduction commensurate with the total allowable catch, and it should follow some kind of a parallel graph. I do not think that is too much to ask.

My point is that when we talk about enforcing regulations on our own fishermen in our own domestic waters and fines up to $100,000, then we have to look at the whole picture.

There is another aspect here about which I am concerned. The bookkeeping requirements are extremely stringent. I put this to any reasonable member of the House: In Section 61, which I looked at last night, it states that fishermen and purchasers will be required to keep records of the number, the size, the weight, the sex, the species, the product form, or other particulars of any fish caught. Mr. Speaker, if you can imagine an open boat on a stormy day, and a fisherman in his oilskins with three or four crew members catching 30,000 pounds—they are quite capable of catching 30,000 pounds of fish, that is from 8,000 to 10,000 codfish—and they have to go through the sex, the size, the colour, the description, et cetera, et cetera, et cetera. Mr. Speaker, I believe that is too stringent. I really do.

Are you calling time, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I will give the hon. member another 30 seconds.

Mr. Mifflin: Thank you, Mr. Speaker. The other point I want to make before I come to a conclusion is that I would not want to see a salmon, not being tagged or being tagged improperly, have the maximum fine invoked. We have got to ensure that some kind of judgment is applied by these well intentioned fisheries officers. How do we legislate for judgment? In the committee hearings, I think we will have to look at that.

• (1030)

Again, on the business of surveillance, I would have to point out that, if we are looking at the over-all picture of surveillance in Canada., we use 23 maritime aircraft for 60,000 linear miles of coast. The Japanese use 250 aircraft for 228 miles of coastline and the Dutch use 17 aircraft for 5,000 miles. What that amounts to is that the Dutch use the fewer aircraft to look at 5,000 linear miles compared to our 60,000 linear miles, and the Japanese use ten times as many aircraft to look after somewhere in the vicinity of less than 1 per cent of the mileage that we have.

It is an indication of what we need to do to tighten up our surveillance. I am hoping that this will be looked at in the committee stage.

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

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I appreciate the comments from the member for Bonavista—Trinity—Conception on this legislation which we debated about two weeks ago.

I have two quick questions for him, because we want to be a little tighter than his speeches have been as of late in the House.

First, would he support our party's recommendation that, when this bill is referred to committee, we should have an opportunity to travel a bit? Perhaps we should have just a few quick visits on either coast to get a chance to hear people's concerns on this legislation. He did mention in his speech the concern that some people have about not hearing a great detail on this bill.

My second question relates to some concerns in the House in the last few days regarding the government's approach to environmental assessment. We now have four Fisheries and Oceans biologists expressing concerns, some alleging cover-up, about environmental assessment procedures as it relates to the Department of Fisheries and Oceans. I would appreciate his comments on that as well.

Mr. Mifflin: Mr. Speaker, I spoke in the House yesterday on another subject, the gulf crisis. I sat in the House all day yesterday until ten o'clock with you, Mr. Speaker, last night. I recall vividly that a member of the hon. member's asked straight forward questions. I was very naive about this. It was not until later in the evening that I found out that these were all trick questions.

This might seem to be a straightforward question from my hon. friend and had it have been three years ago I would have given straight answers to it. But I am learning that when I hear straightforward questions from

the NDP, I am not sure that I should give straightforward answers.

I said during my presentation that these are points and reservations that I have. I know that they are shared by many other members of the fishing community, by people in my riding, by the fishermen associations and by the fishermen's union. In fact, I spoke with the vice-chairman of the fishermen's union last night and again this morning. Generally, they think it is not a bad idea, but they are upset that they were not consulted as much as they should have been. I suggest that maybe during the committee stage there would be a chance for consultation.

With respect to the committee travelling, I am not the chairman of the committee. I would suggest that this is something that the committee would have to look at and decide for itself.

On the second point, I am not going to comment on that because there are aspects of it that could cause me to go overtime and that would incur your wrath. Rather than get on the wrong side of you, Mr. Speaker, I will just leave that for another time.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Dingwall: Mr. Speaker, prior to the hon. member completing his full presentation, I am wondering if he might entertain a question or so with regard to some of the sanctions which are contained in Bill C-74.

The Acting Speaker (Mr. Paproski): I recognized the hon. member on debate, but he has already spoken. I will allow him few remarks, but he cannot speak again. He might as well get his little question in right now.

Mr. Dingwall: Mr. Speaker, I did not intend to speak a second time. However, since you have been gracious enough to give me an opportunity to pose a question to my colleague, I will certainly afford myself of that opportunity.

Does the hon. member believe, as I do, that there is a need for consultations with regard to the implementation of this particular bill? Does he believe that we have to have before the committee representations from all fisheries organizations on both coasts, particularly those in Atlantic Canada, namely the Maritime Fishermen's Union, in order to alleviate their fears, that this bill is not, in any way, intended to be discriminatory against the inshore fishery? I think we would need those kinds of individuals at the committee to get evidence which would suggest otherwise, and if indeed it is the opposite, that corrective measures be taken. Would the hon. member concur with that observation?

Mr. Mifflin: Mr. Speaker, I thank you for your indulgence. I am very serious about this because the hon. member has raised a very important point. I alluded to it in my introductory remarks.

I have a concern that in the well-intentioned discharge of the legislation as the proposed bill now stands, it is my belief that the inshore fishermen would suffer unduly because, essentially, the enforcement action would be focused on them. I am not suggesting that inshore fishermen break the laws any more or less than offshore fishermen. What I am suggesting is that most inshore fishermen, and I am talking about the close inshore fishermen, are closer to the surveillance of fisheries officers who meet them when they come back to the wharf. Fisheries officers have a better means of getting to them when they are hauling their traps. They are small and independent businessmen. They do not work for corporations. A fisherman could be hit with a fine which before was less than $5,000 and averaged about $300, and all of a sudden one is looking at $10,000 or $20,000, which is well within the limits. This could put a small fisherman out of business very fast.

The fisherman's union that I am associated with, and I correspond and communicate with them frequently, has an inshore fisheries council. In response to the hon. member, I would strongly suggest that the Inshore Fisherman's Council and the associations that represent inshore fishermen make sure that they have an input into this in the committee stage and that the judgment that is applied and the amelioration of the bill in committee stage before third reading will be taken into account. Then the inshore fishermen will not be unnecessarily pinned down by this legislation.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion.

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

CANADIAN HERITAGE LANGUAGES INSTITUTE ACT

MEASURE TO ENACT

The House resumed from Friday, October 12, consideration of the motion of Mr. Weiner that Bill C-37, an act to establish the Canadian Heritage Languages Institute, be read the third time and passed.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I would like to begin third reading debate on Bill C-37, an act to establish the Canadian Heritage Languages Institute.

Since the earliest days of history, the language of a community has always been its most vibrant cultural legacy. In this country, with its many language communities, the legacy is as rich as it is diverse.

• (1040)

Canada's linguistic resources are an inalienable part of our national identity and they are the voice and expression of our multicultural character. In a modern world, they are a vital and indispensable resource for the future.

The decision to create the institute was the result of thoughtful consultations with key leaders and groups in the heritage language field, along with Canadians from every region of the country. It was their support, people across the country, and their active involvement that brought us where we are today in the establishment of this institute.

I am proud that the government has taken the leadership in responding directly and in such a concrete way to the cause of more effective ways to support heritage language learning in the country.

The consultations that helped to give shape to the institute were an invaluable source of information and inspiration. These discussions also indicated that many language communities are still isolated from each other and that instructional standards continue to vary greatly from one community to the next. It was clear from the discussions that the existing structures and approaches simply are not adequate for the challenges and the opportunities ahead of us and, if we were to achieve a more effective use of heritage languages in Canada, that we would have to address fundamental deficiencies.

Leading experts in organizations working in the field, along with government officials, concluded that the only way to improve the situation was to introduce more innovative ways to link our communities. We have to find new ways to capitalize on what does work, replace what does not, and bring forward new ideas and methods that can be shared across the country.

Canada's linguistic communities called for a national resource, founded on co-operation and partnership. They wanted an institution that would understand the practical workings of these local language schools and one would appreciate just how important it is for students, whether they are Ethiopian or Ukrainian Canadians, to have modern text books that foster the learning process, not ones that hindered it.

That new vision is the very essence of this legislation, Bill C-37. It is not an ethereal vision, not one of ivory towers where lofty academics muse about the state of languages in abstract terms. That is not our vision, not at all.

I know that many Canadians who volunteer their time to support their heritage languages do so in the most natural and modest way. The instructors in our communities week by week achieve the most remarkable results. In the process, these volunteers do this country a very great service indeed in providing our young people with language skills promoting their cultural identity and later to achieve opportunities in the international and global world in which we all share.

In establishing the institute, we understand that Canadians want and demand that all government initiatives be fiscally responsible. That is why we have modelled the Heritage Languages Institute with this viewpoint in mind. In particular, we realize that people working in the heritage language field do not want the government to squander scarce resources by over-staffing the institute

or by establishing a large alienating building in which to house it.

The mandate of this institute and the mandate of the people who work in the heritage language field is to sustain and to strengthen Canada's heritage languages. In practical terms the institute will be responsible for developing Canadian-orientated materials in-house and for disseminating these materials throughout our many language communities. The institute will act as a clearing house, seeking to correct the uneven access to teaching resources and replacing it with greater uniformity and higher standards.

The actual institute itself, Mr. Speaker, I am sure that you personally will be pleased to hear, will be located in Edmonton. From the beginning we have committed ourselves to creating an institute without walls, a place where language communities and associations from every region will feel right at home. Wherever the community is, they belong.

Quality research and materials are only as effective as the teachers who use them. For this reason the institute will do its part to help to improve the standard of heritage language instruction by developing more effective training methods and courses.

In terms of financial support, the institute will receive $6.5 million over five years and as a charitable foundation, financial support for the institute may also come from the private sector and community sources, as well as from provincial and territorial governments.

Part of the federal government's financial support will be directed to an endowment fund. In this way we will make the institute a permanent, lasting testimony to the promise of Canada's linguistic resources.

The doors of this institute will always be open to all who wish to support its work. I like to think that above these doors will be the names of every one of Canada's language communities, if not in reality then at least in the minds of the people who work there. As the staff of the institute go out into the communities, they will be helpful in sharing their ideas and working together.

In conclusion, I would like to thank all those who have participated in bringing this Bill C-37 to third reading, all those witnesses who came to the committee and, indeed, the members of this House who were members of the legislative committee of Bill C-37 who worked together to strengthen and improve the legislation that is before us. I know that they share with me a sense of how important this institute will be and what it can achieve.

Recently I had an opportunity to speak to one of the leaders of the heritage language instruction. He called the establishment of this heritage language institute a crown jewel. We look forward to this institute being operational very soon. It is a challenging mandate for any institute to serve as a trustee of this nation's linguistic resources, not only for today but for generations to come.

With the support and talent of Canadians, we share the same larger vision. It will achieve its objectives and become a source of promise and lasting achievement for all people.

I urge all members of the House of Commons to pass this bill on third reading quickly in order for us to establish this institute as soon as possible.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, establishing a Canadian Heritage Languages Institute is in itself a step in the right direction. Cultural groups and language teachers feel it is important to have a centre where documentation on language learning is collected, catalogued and, above all, distributed across the country.

On the other hand, we must avoid duplication and ensure that the Institute is sensitive to the needs of the community and regularly updates its information and existing teaching materials.

If the Institute is to be truly effective, it must communicate on a continuing basis with all cultural groups in order to establish a relationship based on co-operation and trust.

Mr. Speaker, the Institute's mandate is a broad one, especially since it is to be an institution without walls that will serve the entire country. I have some questions about this aspect.

• (1050)

How does the present government, with a budget initially designed to respond to the needs of Western Canada, according to the reports of Professors Kreisel and Batts, plan to respond to the expectations of an entire country? We cannot afford to let a lack of funds hamper the Institute in its work. No region in Canada should be penalized because the Conservative govern-

ment has decided all research will be directed from Edmonton.

Mr. Speaker, according to what has been said by both authors of reports and the groups that were consulted, the Canadian Heritage Languages Institute was supposed to be one of two new Canadian institutes that would complement the one already in place in Toronto. In fact, at the time, the plan was that one institute would be based in Edmonton, to respond more specifically to the needs of the West in Manitoba, Saskatchewan, Alberta and British Columbia, while another institute would be established in Quebec to meet the needs of the East.

These two entities were to focus mainly on applied research and developing teaching tools, thus complementing the work done by the Toronto institute. All three were to be complementary and work together, to save time and avoid duplication.

Thanks to their strategic locations, the three institutes would have been in a position to respond to specific regional needs, since heritage languages are not necessarily the same in Halifax and Vancouver, and thus develop teaching techniques adapted to the target population.

According to Bill C-37, however, there will be a single headquarters in Edmonton that will serve all provinces. An institution without walls, with a budget originally intended to meet the needs of four provinces, will now have to respond to the needs of the entire country. It will be interesting to see how it will manage this "tour de force".

[*English*]

The Standing Committee on Multiculturalism and Citizenship will have to stay alert and follow closely the setting up of the institute to ensure the representation of all parts of Canada on the board of directors. It will be crucial in the orientation the institute will take, thus the need of having people from different groups, different areas of work and different regions of the country.

If the institute is to serve the people, it must be representative of the people. It makes no logic sense to have an institute that is supposed to serve the needs of the Canadian population if that body is not responsible to the community that is to use it as a resource centre.

The mandate of the institute is broad. Because of this, it could easily become another elite paper-producing organization. This must not happen. The institute must never lose sight of grassroots people; those who are working in the field and have been creating material throughout the years, those who know and live the problems, those who need back-up. That is why the institute is there.

Here again, I have very serious doubts about this government's intentions. Let us not forget that this is the same government that gave $14 million to teach Canada's business elite how to speak various languages of Pacific Rim countries. Where are the priorities of this government? They love to talk about less government intervention and budget cuts. Unfortunately for the youth of this country, the government only remembers this fact when it is dealing with women, youth and native issues.

When it comes to its friends in the business community, it opens its purse strings. Mr. Speaker, I must say that I find this completely unacceptable.

[*Translation*]

If, as the Minister of State has repeated so often, the $4.1 million cut is actually only $30 per student, if the Conservative government feels that the amount is so insignificant, why are schools closing down because they did not get that grant? Is this the way the government shows it cares about the needs of the people? And if so, what guarantee do we have that the institute will do better than the government? How do we make sure all groups can benefit from institute resources, not only a select few in major urban centres or others with access to technological facilities? The institute simply cannot afford to discriminate against any group no matter how important or where it is located. This will be a major challenge which the institute will have to live up to.

Canada is again going through times of crises and tensions. The coming months and years will give us the opportunity to promote multiculturalism throughout Canada. Wherever people may come from they must be made to feel they are part of Canada. The ideal is to be Canadian without having to negate one's own cultural

heritage. This is a major challenge, and the Canadian Heritage Languages Institute is one of the tools we have at hand for the job.

The Minister of State may well be sincere, Mr. Speaker, but we do entertain doubts about the motives of the Conservative government: even before the Department of Multiculturalism and Citizenship saw the light of day, they reduced the budget of the future department. How can we believe the government when it claims to be promoting harmony and then turns around and tells people who need grants to maintain their cultural heritage that no funds are available? How is it possible for an institute slated for Western Canada and expected to serve the whole country to meet the urgent and basic needs of heritage languages schools with an annual budget of a little over $1.2 million?

[*English*]

Mr. Speaker, we understand that there must be budget restraints, but should we cut on a department that has yet to become a reality, a department that has, as a mandate, to help create harmony among the people of Canada? In this summer of discontent, some of the most disturbing facts have been an increase in intolerance against various communities in our great country. The only response that this government gave was its silence.

The Prime Minister and his cabinet refused to call Parliament back to deal with various issues, as Canada seemed to be swept over with feelings of resentment. The vast majority of this hatred is directed at this government. Unfortunately, some of this discontent was redirected to various minority groups. Instead of coming out with concrete actions to assist in the creation of harmonious race relations across Canada, this government has done nothing, except cut funding to heritage language schools that help in the preservation and promotion of harmonious, cross-cultural understanding.

In B.C., without federal funding, some of these heritage schools will close. Some already have. The schools are the reason why this government is trying to establish the heritage language institute. It seems illogical to establish an institute that is supposed to act as a resource centre for the schools that this government is forcing to close. That is why I seriously doubt this government's commitment to either this issue or others relating to racial and cultural harmony in this country.

[*Translation*]

On October 27, Mr. Speaker, children, teachers, parents and directors of Ottawa region heritage language schools will hold a demonstration on Parliament Hill. They will present note books from every school containing handwritten letters and children's drawings protesting against their reduced budgets. Before and after the demonstration we hope to present a number of petitions in the House to bring pressure on the government.

• (1100)

[*English*]

Mr. Speaker: It being eleven o'clock, pursuant to Standing Order 35, the House will now proceed to Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, it has come to my attention that remarks I made in the House on October 16 are being inappropriately used, or even distorted, by Liberals and Conservatives in Manitoba.

Unfortunately, unhappiness with elements of the environmental record of the former NDP government, by which I still stand, caused me to generalize unfairly about its record on Rafferty-Alameda.

I have taken the time to examine the record, and I find that the NDP government was expressing the appropriate concern at the appropriate time. The fact is that this issue did not become the issue that it is today until June 1988, two months after the NDP left office.

Any suggestion, therefore, aided by my comments that the NDP government inadequately responded to the deal between McMillan and Devine is completely out of line and dishonest. Indeed, if Gary Filmon is into quoting me, I ask him to quote from *Hansard* page 14231 of the same day, October 16, in which I referred to the

refusal of his Tory government to take strong action, given all the things that have taken place since he came to power.

Furthermore, I have had the opportunity since 1988 to work on Rafferty and other environmental issues with Gary Doer, and it is precisely because of the new and deeper commitment that he brings to environmental issues that we did so well in the last election.

* * *

[*Translation*]

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mr. Jean-Guy Guilbault (Drummond): Between October 12 and 21, Mr. Speaker, we celebrate our first week of science and technology.

Because science and technology offer many advantages we should be more conscious of the role they play in our daily lives and in our domestic economy with a view to promoting scientific culture in Canada.

It will stand as a challenge to improve our standard of living, boost the competitiveness of our industries, and open up interesting career opportunities. We will be much better prepared to face up to and overcome the many obstacles which threaten our environment.

Mr. Speaker, let us make a common effort during this week of science and technology to raise the interest of all Canadians in the key role of science in our society and to make Canada more competitive on the international market.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Hon. William Rompkey (Labrador): Mr. Speaker, by the government's own count, 1,500 fishermen and plant workers on the Labrador coast are without income this winter, and this government evidently does not give a damn. Because of the worst failure in the fishery in years, Labrador fishermen and plant workers, many of whom are aboriginal, do not even have 10 qualifying weeks let alone the 14 now required for unemployment insurance.

Once again Labrador fishermen find themselves in an emergency while the federal government stands idly by. If special funds are not put in place this month, it will be too late. Even the minister's own Industrial Adjustment Committee has documented the seriousness of the situation and called for an emergency response program.

This has nothing to do with Bill C-21, because even if Bill C-21 passes, hundreds of Labrador people will still not qualify for unemployment insurance. The people of Labrador are full Canadians and are entitled to the support of their government.

I call upon the Minister of Employment and Immigration to announce an emergency response program for Labrador and to do it now.

* * *

PERSONS DAY

Ms. Barbara Greene (Don Valley North): Mr. Speaker, yesterday was Persons Day, and I think it appropriate to recognize a recent contribution to women's equality.

The Federal Solicitor General has announced that the maximum security prison for women in Kingston is closing. In its place, the government is going to build five regional facilities for federally sentenced women, including a healing lodge for aboriginal inmates. This action came about because of the task force recommendation on federally sentenced women.

I would like to take this opportunity to congratulate all those within government and in non-government organizations who worked so hard to produce what I believe to be a very progressive, forward looking initiative that will help to improve the quality of life for incarcerated women.

Many years ago, Agnes Macphail, the first woman MP started the fight to close this prison. This government has finally taken this important step to building a better future for women and society as a whole.

* * *

THALIDOMIDE

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Minister of National Health and Welfare has disappointed the disabled community yet again.

Earlier in the week he rebuffed a request by the Thalidomide Victims Association of Canada for a compensation package of about $48.9 million, spread over 30 years, for thalidomide victims.

Canada is the only country that has neither acknowledged its responsibility to the victims nor settled legal liabilities with them. Canadians will remember that their government not only did not prevent the sale of thalidomide, but it failed to withdraw it from the market quickly enough when its harmful effects had already been scientifically verified.

Victims have to live with their physical deformities and handicaps, but their families will not always be available to provide them support. The $18.9 million package would provide for current and long-term accommodations to permit the integration of victims in society, but the minister holds firm and obdurate when compassion and justice cry for action.

Yet just next to him his colleague, the minister of energy, was able to squeeze a mere $602 million in grants and cash payments to suffering oil companies last year alone. We ask: Where are this minister's priorities?

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INTERNATIONAL GATHERING OF THE IRISH

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, everyone claims a little Irish in their blood, and New Brunswickers are no exception.

Next year our province will play host to the International Gathering of the Irish in North America, and we will be having shamrock citizens with us from around the world.

This is another unique opportunity, both for New Brunswick and for Canada, to demonstrate that we really are a nation for all the world, for all cultures, for all races, for all people.

Just consider the human blend and interchange to take place when Canada's officially bilingual province, New Brunswick, meets and mixes with the world's favourite adopted strain, the Irish: "Sure—'twill be like a morn in spring".

This is an early invitation for every member of this House to come to New Brunswick between July 19 and August 3, 1991. There you will share the best of Irish humour; there you will see the best of Irish art; there you will sing the best of Irish songs; all in a setting of true Canadian hospitality at its best.

Just this week we had an advance visit by an Irishman from Baie Comeau. Already Irish eyes are smiling and Irish hearts are happy.

Please come and join us next summer.

* * *

THE SENATE

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, many of my constituents have asked me: "What are these Liberal senators doing? Can they do this?"

I can find no authority to support the actions of the Liberal senators. The Library of Parliament provides the book *The Modern Senate of Canada 1925–1963* by F. A. Kunz. On page 339 it reads:

> But these arguments and counter-arguments respecting the Senate's financial powers, although theoretically interesting, are now-a-days little more than examples of academic pedantry and to discuss the Senate's right to revise the government's financial program in terms of conflict is really to present a very misleading picture of its functions in the modern state. On the contrary, the Senate has acted in full understanding of the meaning and the implications of responsible government and accepted as binding upon itself the proposition that it should not unduly disturb what has come to be called the "balance of ways and means"—

Or, as Hopkins said in "Financial Legislation in the Senate" in the *Canadian Tax Journal*:

> —that it would be inadmissible to tamper with the over-all financial program submitted by the government in its budgetary proposals—

For a more current opinion I consulted last night with Canada's leading tax consultant, Dr. Vern Krishna, author of the text book on tax law, *The Fundamentals of Canadian Income Tax*. Dr. Krishna, Professor of Tax Law at the University of Ottawa, notes: "The precedent dates back to 1215—

Mr. Speaker: The hon. member's time has expired.

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GOODS AND SERVICES TAX

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the great leveller, the great equalizer among children worldwide is when a child acquires the ability to read and then has reading materials made readily accessible to him or to her.

There is no other single skill which will open up the world of knowledge and dispel the darkness of ignorance and thus relieve human hardship through enlightenment more than the ability to read effectively.

In view of this direct and positive correlation between literacy skills and children's well-being, does it not seem frivolous to express publicly concern for the welfare of children, as the Prime Minister has done recently, and at the same time attempt to impose a tax on children's reading materials which will lessen the likelihood of poorer children learning to master reading skills?

* * *

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, Canada's forest industry is in a crisis. Thousands of jobs are being lost, mills are closing, and yet this government is idle in trying to help the forest industry.

• (1110)

The minister responsible for forestry said some time ago that he would have forest agreements signed before the planting season. Which planting season? What year will he have these signed? Also the sellout of the forest industry by this government and the Government of British Columbia, in signing the softwood lumber tariff, has resulted in direct orders being issued from the U.S. government to our governments telling us how to run our forest policy.

The 64 directives issued by Washington should be released by this government so that we can get to the bottom of the domination of our forest policy by the U.S. government.

* * *

AGRICULTURE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the Cash Flow Enhancement Program will enable farmers to secure interest-free cash advances during the current 1990-91 crop year. Each producer will be able to secure up to $50,000 interest free on the security of his undelivered grain.

I want to thank the Minister of Agriculture and the Minister of State for Grains and Oilseeds for their prompt response to the serious cash flow problems resulting from lack of opportunity to market the current crop. The cash flow enhancement program enables farmers to get some immediate cash on grain they have produced but cannot sell.

This program will provide some interim help for producers pending establishment of a new safety net system consisting of two long-term programs: the Guaranteed Revenue Insurance Plan and the National Income Stabilization Account, programs which should provide significant and predictable support levels for the future.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the dairy farmers of Canada have informed the government on numerous occasions of their grave concern as to the future of the supply management system in Canada.

Given recent statements by the government regarding its position on supply management at the GATT talks, dairy farmers across Canada have good reason to suspect that the government is preparing to bend to external pressure tactics and cave in on its support.

If this government is sincere about fighting to maintain supply management, will it indicate once and for all that it will not throw in the towel at the GATT?

It is truly sad that dairy farmers of Canada have to run television ads reminding the government of something it should already know, that is when a dairy farm dies in Canada a part of Canada dies as well.

It will be nothing short of deception and bad faith for the government to sell out Canadian dairy farmers at the GATT. I call upon the government to provide steadfast support for supply management when the crunch comes in Geneva.

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[*Translation*]

THE SENATE

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I should like to emphasize that the Liberal senators have finally come back to their senses and agreed to do what they are paid to do, and that is to work. Their degrading performance over the past month has severely tarnished their image as wise men and women, and undermined the

reputation of intellectual integrity and emotional stability of most Liberal senators.

It would seem that a lengthy fasting session may have had more serious consequences than we first thought for some of them because it has irremediably impaired their judgment. Fortunately, Mr. Speaker, common sense has prevailed and the Liberal majority has managed to score for democracy. The saying *vox populi vox dei* is still relevant. The Liberals have no right to presume that Canadians erred when they twice voted for the Conservative Party.

When Trudeau—their guru—said that not everybody is cut out for democracy he should have pointed out that he was talking to them.

Canadians no longer want to be held hostages by sore losers—

[*English*]

Mr. Speaker: The hon. member's time has expired.

* * *

VARITY CORPORATION

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I would like to bring to the attention of the House a very insulting series of events that have taken place involving the workers of Varity Corporation.

As the House will recall, this company owes its existence to a $200 million Liberal government bailout in 1981 which works out to half a billion in today's dollars. Well, Mr. Speaker, guess what? Varity is moving to the United States and taking a half billion of taxpayers' money with it.

Can you guess, Mr. Speaker, what the NDP Government of Ontario and the Conservative government in Ottawa are doing? Absolutely nothing. Yes, there is a $12 million severance and benefits package under the agreement and a deal for the maintenance of 1,200 Ontario manufacturing and processing jobs.

But, really, does anyone in this place believe Varity will honour this deal any more than it honoured the agreement it made in 1986 when the $200 million in loans to Varity was written off by this present Tory government?

I expected the Conservative government to sell the workers down the road, but never did I think so soon after being elected would Bob Rae and the NDP climb into bed with the Tories and refuse to defend the workers of Ontario.

Bob Rae, if you are listening, workers want jobs, not severance packages; workers want jobs, not promises.

Mr. Speaker: The hon. member's time has expired.

* * *

THE SENATE

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased that the Liberal senators have decided to put away their childish behaviour and concentrate on their obligation to provide second sober thought to legislation enacted by the elected representatives of this House.

I know I speak for all Canadians who have witnessed this disgusting spectacle over the last two weeks when I say that I hope we will never have the occasion to see it again.

While some headway has been made with respect to a timetable in regard to the UI and Hibernia bills, and other major pieces of legislation which the Senate has unreasonably held in limbo until now, an agreement has not been reached with respect to a vote on the GST. We need the GST. The Liberal senators' stand has been unproductive. They should set aside the partisanship and look to the well-being of the country.

* * *

WAR MEASURES ACT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it was 20 years ago this morning that the House of Commons voted on the invocation of the War Measures Act.

I wanted to note for the House that there were 16 of us in the New Democratic Party who felt so strongly that the government was wrong that we said, "no" to the War Measures Act because of our concern about civil liberties in this country.

I do not have time, Mr. Speaker, to read all the names of the people who took that stand, but among them is the

late Andrew Brewin, the late David Lewis and the late Tommy Douglas. In addition, there was Stanley Knowles, who is now an honorary officer of the House, and of course, Ed Broadbent, the former leader of this party.

In conclusion, I think the important thing was that some of these people had the courage of their convictions, and showed that leadership sometimes is swimming against the stream, and doing what is right and not necessarily what is popular. I wanted to pay tribute to those people this morning.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance I have a question for the Deputy Prime Minister. Yesterday the Minister of Finance said in the House, "We brought in a higher interest rate precisely to fight inflationary pressures". Yet the goods and services tax, the GST, according to the figures of the Department of Finance, will increase inflation by more than 20 per cent above current levels.

I ask the Deputy Prime Minister this. Why is the government working at cross purposes? Why is it pursuing two contradictory policies, on the one hand keeping up interest rates allegedly to fight inflation and on the other hand, forcing the GST on Canadians when it knows that GST will greatly increase inflation?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the hon. member is being very cute with figures this morning.

The Minister of Finance and the Department of Finance have been very clear right from the beginning of introducing the goods and services tax, that inflation will take a one-time increase of 1.25 per cent in the inflation rate. That has been known right from the beginning. That is not news and that is not something that is shocking or the Leader of the Opposition is not revealing something that is new. That has been said all along and of course would be taken into consideration in setting any kind of interest rates that are set from week to week by the Bank of Canada.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of State admits that the government is pursuing a contradictory policy, raising interest to fight inflation and at the same time trying to impose the GST on Canadians when it will increase inflation the year it comes in by 1.25 per cent, which is more than 20 per cent above current levels.

Will the minister undertake that the Governor of the Bank of Canada will not be allowed to increase interest rates even further to counter the inflation caused by the GST?

[*Translation*]

In other words, Mr. Speaker, could the minister give the House the assurance that the Governor of the Bank of Canada will not further increase interest rates in response to inflationary pressures caused by his GST?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Bank of Canada is following a policy to wring inflation out of the economy. It is very important that the inflationary pressures are wrung out.

• (1120)

For example, in July and August, average wage increases in this country were 6.1 per cent. That causes, of course, inflationary pressures. The inflation rate has held fairly steady at 4.2 per cent as was announced this morning. We are encouraged by that, but there is still too much inflationary pressure in the economy.

The Bank of Canada and the Minister of Finance, unlike the opposition, do not have knee-jerk reactions to what is going on in the economy. It is a policy that is followed to wring inflation out of this economy and to assure that interest rates come down and stay down, not like in the days when the Liberals were in power and we saw inflation at 13 per cent and interest rates at between 20 per cent and 25 per cent. We are not going to let that happen to this country.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, when Canadians look at the economic policies of this government, they know where the jerks are, they are on the other side of the House.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): Mr. Speaker, the government's approach to economic policy is clearly perverse. At a time when the government's own trade figures show that our exports are falling, the government made a deal which allows the Varity Corporation to close the Kelsey plant in Windsor with a loss of more than 500 export related jobs.

Why did the government not insist on that Kelsey plant being saved? Why did the Deputy Prime Minister not insist on that Kelsey plant being kept open and those 500 jobs saved? Is the minister saying to those workers that this is the way the government expects them to die, before they can get to heaven?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the hon. member knows that in the automotive industry in particular, there is a major restructuring going on all over the world, not only in Ontario.

The important thing about the Kelsey-Hayes closing is that bad as it is, the workers have at least been offered a deal which is better than they might have been offered under other circumstances.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Conservatives in Ottawa and the NDP in Toronto have just joined hands to underwrite the largest swindle of Canadian workers and taxpayers in the history of this country.

The Varity agreement will cut 500 workers loose immediately. It is nothing more than a two-year stay of execution for the 1,200 jobs that are supposed to be guaranteed under the agreement.

My question to the Acting Prime Minister is: Why did Premier Bob and his friend, Brian, cave in?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I thought it might have been the "Bob and Bob Show", but there is no doubt that the new agreement we have with Varity offers at least greater certainty to all the parties involved.

It was not this government that loaned Massey-Ferguson part of the $200 million. Let us go back. It was in 1981 that the then Minister of Industry, Trade and Commerce, now the Leader of the Opposition, said that "this $200 million in guarantees facilitates a private sector solution to Massey's woes". What it did was postpone Massey's woes.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the minister refers to the 1981 dollars that were spent with a guarantee that the jobs would stay in Canada. I can tell him that if there was a Liberal government here, we would not allow them to pack up and leave, just like the Tories—

Some hon. members: Right on, Sheila.

Some hon. members: Oh, oh.

An hon. member: Hear, hear.

Ms. Copps: The workers have been thrown peanuts and crumbs, while in actual 1990 dollars, the amount of money spent by the Canadian Ontario taxpayers to this company is over half a billion dollars, $592 million to be exact.

I want to ask the Minister of Finance whether he will move immediately to get a repayment of this half a billion dollar bail-out which is going to result in a loss of Canadian jobs to the tune of 1,500 workers by the time this Varity mess is cleaned up by the next Liberal government.

An hon. member: Peterson almost made the same deal.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, I think it is important to recognize what this new agreement is. It is an improvement over the original foundation agreement. It is supported by the Government of Ontario and by the CAW, with 1,200 jobs guaranteed.

It was not long ago when we heard members on the other side of this House say, "What about the 4,500 workers from the combine plant in Brantford"? Under this agreement, the 4,500 workers at least have better lay-off provisions than they had before, when they had nothing.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for this government which now wants to be seen as tough, as "willing to take the hard decisions on the economy", to quote the Prime Minister yesterday. The Prime Minister as gunslinger is not a new act in this House of Commons. This week the signs of recession grew and we see today that the inflation rate in this country has stayed the same.

Will the government start making the tough decisions and admit that it has been wrong? Will it admit that there is a recession? Will it admit that high interest rates

are, in fact, hurting this economy? Will it admit that the Canadian dollar has to decline to get—

Mr. Speaker: The hon. member has completed his question.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think if we did not have the policy that we have today, inflation would be running at a much higher rate in this country. It would be much higher, there is no question about that. Every economist says that that is the fact. There is no question about that.

The hon. member talked about a number of "will it admit", will the government admit there is a recession? That is for Statistics Canada to give us the facts. Those numbers will be coming out in the next few weeks and that is when it will be decided. There is definitely a slowdown in the economy. We do not take comfort in people being hurt in this slowdown in our economy. We cannot take comfort in that and we do not. But, at the same time, we cannot make band-aid solutions to major problems that we are facing. We have a policy in this country—

Mr. Barrett: That you created.

Mr. McDermid: Well, the hon. member says, "that we created". That is right, we created 1,600,000 new jobs over the last six years. We have had unparalleled economic growth in this country over the last six years. The record of the economy under this government has been superb and I am proud to stand behind it.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I say to this government, you cannot take credit for the good times and then wash your hands of the bad times. So I tell this government take the tough decision and admit that it has made a mistake, it has driven this economy into a recession and as a result, right across this country there are thousands and thousands of people hurting.

Is this government prepared to stand up and admit that it has made a mistake and change its policies to start helping people?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): No, we have not made a mistake in our economic policy. We know people are hurting. In his budget in February, the Minister of Finance said there would be a slowdown in the economy and a slight increase in unemployment. That prediction was made by the government in the Minister of Finance's budget, so that is not a surprise, that was expected. At the same time, the policies of this government are for the long term, to get interest rates down permanently, to get inflation down so that the economy can grow in a balanced manner. That is what this is all about.

• (1130)

God help us if the NDP were in power, it would be slapping band-aids here, there, and everywhere, and inflation would be running out of control today.

* * *

GOODS AND SERVICES TAX

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, surely the government is prepared to admit that the economic situation that we find ourselves in today is different than existed at the time when the government first contemplated the GST. Surely it is willing to admit that.

Is the government completely closed-minded about changing its mind on the GST? Is it completely closed-minded about listening to the small business community, to labour, and to almost everyone in the whole country, except itself, who think that it may be time to reconsider the wisdom of imposing the GST in the new economic circumstances that we find? Is it going to be at least reconsidered?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, again, my answer is no.

Let me tell the hon. member that there has been wide consultation on the goods and services tax right across the country. It has been going on for years.

I might point out that a report from the Banking, Trade and Commerce Committee of the Senate of Canada, on which Senator Buckwold, Senator Kirby and Senator MacEachen sit, recommended this: "We recommend that as soon as practicable, the government introduce legislation to introduce a broad-based multi-state sales tax to replace the existing sales tax system which does not work."

That is the recommendation of those people who are now opposing the multi-state sales tax that we have in the country. I cannot understand why those senators are

opposing something that they recommended a short two years ago.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Minister of the Environment. The minister has claimed he is taking the toughest possible action to have a full environmental assessment of the Rafferty–Alameda project before it goes ahead.

If the minister means what he said, why was he not in court yesterday seeking an interim injunction? Why is he not in court today, and does the injunction he is seeking include all construction on both Rafferty and Alameda, all land acquisition, all contracts, and all operations? Or, is this just another stall so that Grant Devine can complete the dam?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I said very clearly yesterday that I was at that point instructing my officials to seek an injunction on continued construction and land acquisition related to the Rafferty–Alameda project. That is what has happened. Officials are proceeding under those instructions as I announced to the House yesterday.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, every hour irreparable damage is being done on the site of that dam. Surveyors were out on the site of the Alameda Dam yesterday and today. The minister took no action until the Tetzlaff brothers, who do not want their farm expropriated, notified him on Wednesday that they were going back to court.

Again, why was the Minister not in court yesterday seeking an interim injunction? Is he in court today seeking an interim injunction? If not, is he prepared to let construction just continue throughout the weekend on a 24–hour basis? When will we have an injunction?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we are acting. I indicated the action that we were going to be taking.

The important thing here is that we want to respect a process that has been established by the courts and been established by the House. We want to have a full environmental review of the project and we shall have that. We are seeking an injunction to stop land acquisition and construction on the project until that process can be completed.

* * *

GOVERNMENT ADVERTISING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Not content with producing newspaper advertisements which previously offended the House and, later, radio ads which offended the Advertising Standards Council of the Canadian Advertising Foundation, the government is now embarking on a series of similarly misleading television ads trying to convince the people of Canada that the GST and the government–induced inflation is good for them.

I would like to ask the Deputy Prime Minister on behalf of all Canadians taxpayers this: Will he now admit that this ad has nothing to do with informing people, and has everything to do with trying to restore the failed credibility of the Minister of Finance?

Some hon. members: Hear, hear.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, once again my friend opposite is totally misdirected in his criticisms.

The ads are not doing what he says. They are bringing the attention of Canadians to a very important policy initiative that is important for the country, and particularly for the future of our children and our grandchildren.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, inadvertently the member was right. They are not restoring the minister's credibility. It is beyond repair.

[*Translation*]

I want to ask the Deputy Prime Minister opposite whether he will admit, once and for all, that the ads were not intended to inform the public but are an attempt to restore the credibility of the Conservative Government.

And considering these facts, will he ask the Conservative Party to compensate taxpayers for this misleading advertising?

[*English*]

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the departmental statute does not apply to any ads that governments would put out.

These are ads for information so Canadians can better understand a very important policy initiative which has been totally misrepresented by members of the opposition.

* * *

NATIONAL DEFENCE

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Secretary of State.

The National Defence Act expressly requires the Government of Quebec to send a report to the Secretary of State of Canada on the circumstances that led to the requisition of Canadian forces this summer in Oka and Chateauguay.

It is now two and a half months after the troops were requisitioned. Has the report been received? If not, why not? Will the government insist on the report, and will the government give an undertaking to make the report public?

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am pleased to inform the hon. member that the report has not been received yet.

Mr. John Brewin (Victoria): Mr. Speaker, the other three questions which were part of my question were not answered.

My supplementary question is directed to the Associate Minister of National Defence.

This summer we saw, for the first time since the War Measures Act was invoked 20 years ago, Canadian forces deployed against Canadians. This is a very serious event in our history. There are many questions arising out of events of this summer, including the stone-throwing incident at the Mercier Bridge, the role of the army, the question of civil rights, and a whole set of questions.

Will the minister give an undertaking to the House that there will be a full-scale, federal, public inquiry into the events of this summer?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, first, I would certainly dispute my hon. colleague's description of the events of this summer. Members of our Armed Forces were there at the requisition of the province of Quebec to provide assistance and aid to civil order, and performed those duties admirably.

As my colleague knows, there has been a motion on the floor of the House for discussion. That motion, once it is passed, will be referred to a standing committee of the House which will have the authority to consider all matters related to the situation this summer.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Minister of Finance, but perhaps the Deputy Prime Minister will be able to reply.

Yesterday, a Quebec coalition of publishers, book sellers, authors and printers launched an offensive against the GST on books. They said that taxing books is tantamount to promoting ignorance. I therefore want to ask the minister why he is so anxious to undermine education.

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, there is no impeding education. As the hon. member knows, libraries, schools, and universities will not be paying taxes on those books. I might say that there are many groups that would like to be exempted from the GST. All have their own reasons, but the more groups exempted, the narrower the base and the higher the rate.

• (1140)

One of the reasons that we are bringing in a goods and services tax spread over a broad cross-section of the economy is to make it fairer, to keep the rate lower, and to give individuals choices. That is what it is all about, to make it fairer than the manufacturers' sales tax.

The hon. member might be interested to know that there is manufacturers' sales tax in publications as well now. It is hidden way down in. The people do not know they are paying it, but in fact they are.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have a supplementary for the same minister. Books are a way to defend our language and our identity. My question is directed to the same minister. Why does this government want to destroy our Canadian cultural identity?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, on the contrary, we do not want to destroy the Canadian cultural identity. As a matter of fact, the Minister of Communications who is responsible for culture in the country has made some very significant announcements over the last while supporting cultural endeavours in the country.

To make a statement like that is completely erroneous, Mr. Speaker.

* * *

THE ECONOMY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the Minister of Industry, Science and Technology. In 1984 the Prime Minister promised jobs, jobs, jobs. Since then we have had lay-offs, lay-offs, lay-offs.

Plant closures and cut-backs have been the order of the day across eastern Ontario. In my own riding, in the town of Renfrew, over 1,600 jobs have been lost. This is a devastating blow to a town of 8,500. When plants close the entire community suffers.

When is the government going to produce an economic program for eastern Ontario to give some hope to business and some hope to those workers who are having difficulty supporting their families? Have a heart.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, no one likes to see a plant close or anyone laid off. What is happening in the country, as we have said before, is a significant restructuring of almost every industrial sector.

In terms of the member's own riding, the industrial commissioners from his part of the country are out in fact trying to generate new business. They are not moaning about what is happening. They are taking a positive approach and are out looking for new opportunities.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this is the first question I have asked in the House on this matter because I have been out working with industry. I have been working with communities., I will not permit the minister to stand in the House to give a different impression.

The 15 per cent export tax on softwood lumber, high interest rates, and an artificially high Canadian dollar have been absolutely destructive to the forest industry across Ontario. Hundreds of jobs have been lost again in eastern Ontario. Sawmill owners, logging contractors, hard working people have had their livelihood taken away from them.

When is the government going to get serious and negotiate its way out of the export tax, lower interest rates, lower the value of the Canadian dollar, and sign a forestry agreement in order to get business and jobs moving again? Think of the people out there who are hurting because of the policies of the government.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the Government of Canada of course is concerned about the MOU that the hon. member refers to and its impact on the Canadian softwood lumber industry. There are extensive consultations going on between the various parties, the provinces involved and the lumber interests. That is carrying on to try to come to a satisfactory conclusion. It is a very complicated and sensitive issue, but I can assure the hon. member that is being looked after.

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NATIONAL DEFENCE

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is directed to the Associate Minister of National Defence. In April, 1989 Michelle Douglas, a talented young officer who was the top graduate in her class of 85 was fired from the forces after a degrading SIU investigation, solely because she happens to be lesbian.

The recent decision of the Security Intelligence Review Committee struck down this forces' policy as unconstitutional, and the report of the Marin Commission urged an end to the SIU witch-hunts against lesbians and gays in the Armed Forces. When will the government finally change this inhumane policy, as the equality rights committee, of which she was a member, unanimously recommended five years ago?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I know of the hon. member's continuing interest and concern on this issue.

I think that he is aware that as as result of the Marin report, we have indeed agreed that homosexuality will not in itself be grounds for review of security clearances.

However, on the broader issues, these are still under discussion, both within our department and with the Minister of Justice, in terms of our over-all review for the Canadian Human Rights Commission Act, and I am sure those decisions will be forthcoming over the coming months.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the minister knows that there is a very serious and immediate problem in this area and that the contracts of members of the forces whose careers are currently in limbo, and who are affected by this Armed Forces policy, are coming up for renewal in the coming months.

I ask the minister for her assurance that members of the Armed Forces whose contracts are coming up for renewal, who are currently in limbo as a result of the government's delay in ensuring equality for all members of the forces, will have those contracts renewed and that the members who are affected by this will not, in fact, lose their lives, have their livelihood shattered and destroyed as so many others have done before them.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, my hon. colleague has brought this matter to my attention in recent days. I have asked my officials to look at this issue very closely. I will certainly be responding to the hon. member just as soon as possible.

[*Translation*]

THE ENVIRONMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the tabling of the *Green Plan*. Considering the government's emphasis on protecting the environment, could the minister inform the House whether he expects to meet the deadline he had set for tabling the *Green Plan*?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I can inform the House that, after consultations with some 10,000 or 11,000 Canadians in April, May and June of this year, work on the plan continued throughout the summer. The *Green Plan* was discussed repeatedly by the Environment Committee, and I can assure the hon. member that so far, we are still right on schedule, in other words, the *Green Plan* will be tabled around the end of November or early December.

* * *

[*English*]

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. There is a crisis in health care in our aboriginal community. The number of neonatal deaths is worse than in most Third World countries, due in large part to a lack of well trained health professionals from within their own community.

How can the minister justify his government's cancellation of its support for the University of Manitoba Special Pre-medical Studies Program, which was established in 1979 in response to the need to train medical doctors from aboriginal communities, while a significant number of babies on Indian reserves continue to die at alarming proportions?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, my hon. friend raised the questions of vital concern not just to the government but to all members of the House, and that is that there are certainly inequalities between the health outcomes for native children and for other children in Canada. It is something that we are determined to address.

As the hon. member knows, the federal government has put money into trying to give assistance to natives to train for the medical professions.

The ongoing responsibility, however, for provision of training and of post-secondary education is the responsibility of the provinces. The federal government has tried to assist them in doing that, but the primary responsibility is that of the provinces.

We will be making a review of all factors which affect the health of native children. It is not acceptable to me that we see the mortality rate among native children and the mortality rate in general of native communities as being higher than in the rest of society. It is something that we are determined to address and to do everything that we can within areas of federal jurisdiction.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the words that the House heard today from the minister were equally reflected on August 9 of this year when the health minister wrote and assured the petitioners of the program. I quote in part: "Let me assure you, every effort is being made in working with the Manitoba provincial government to ensure continuity. . . of this Special Pre-medical Studies Program". That was last August. Today, it is already October.

Is the minister prepared to commit in this House today that he will restore funding for this program so that babies born on Indian reserves are given a fair chance to live?

• (1150)

Hon. Perrin Beatty (Minister of National Health and Welfare): The hon. member asks me, on behalf of the federal government, to assume responsibility for something which constitutionally is the responsibility of the provincial government.

I understand the hon. member's concern and I share that concern as well. Though it is important that we ensure that all of the partners, acting within their areas of responsibility, do what they can to protect the health of Canadian natives, the federal government will do everything that it can within its areas of jurisdiction. The fact that the federal government has provided assistance in this area is evidence of the fact.

Education, as the hon. member knows, is primarily the responsibility of provincial governments. The hon. member and the Leader of the Opposition should well know that. Instead of playing partisan games as the Leader of the Opposition is attempting to do with something this important, it is important that the hon. member and the Leader of the Opposition do what they can, together with the government, in order to ensure that every effort is made by all levels of government within their areas of jurisdiction to promote the health of all Canadians.

* * *

THE ECONOMY

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the minister is found of telling us that he has the facts. He reminds me of the minister of truth that George Orwell feared would come to power in 1984.

Among the thousands victimized by this government's recessionary policies, there are 300 Purolator Products Ltd. workers who are being laid off and their jobs shifted to the United States.

A steel case company that *The Financial Post* boasts of being among the hundred best companies to work for, plans to lay off 72 workers by January.

The transport minister says that he is not in the business of saving jobs but creating opportunities.

I ask the Deputy Prime Minister what opportunities are in store for these Canadians who have lost their jobs

Hon. William C. Winegard (Minister for Science): Mr. Speaker, as the hon. member knows, Purolator air and oil filters is a relatively low-technology operation and it is very difficult to do low-technology operations in a high-cost area like Mississauga. Purolator recognized that and it decided to consolidate all of its operations elsewhere. We do not like it, but that is a fact of what is going to happen.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, perhaps the minister is hoping that these laid off workers will follow their jobs to the United States. Varity paid $52 million to escape this government's recessionary policies.

My supplementary question is to the Deputy Prime Minister. Was the Minister of Employment and Immigration instructed to draft the UI bill, currently before the Senate, to protect the treasury from the sweeping layoffs that this government is causing?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, the obvious answer to that is no. What we are trying to do with that bill is to say that when these things happen, such as Purolator in the general area of Mississauga, that we have the money to retrain people for higher technology jobs. Get the thing out of the Senate and let us get on with the job.

* * *

THE ENVIRONMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of the Environment. A few minutes ago, the premier of Saskatchewan announced he was taking the federal government and the Minister of the Environment to court over the Rafferty–Alameda project. I want to ask the Minister of the Environment a question along the lines of making a suggestion to him.

In order to avoid the loss of time in going through the courts, and he has talked about not having many alternatives, I wonder if he would consider introducing into the House immediately or within the next couple of days a bill that would make it illegal for construction on that dam to proceed until we have full and complete environmental hearings? In other words, why abrogate our responsibility from Parliament to the courts to this country, why not take some action in this House of Commons?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I said yesterday and I will repeat today that we are doing two things. First of all, I am in the process of appointing a new panel to have a full and complete environmental hearing. At this hour, I do not see any reason why we cannot have a panel that will be starting to work very quickly on the issue and get us the kind of full environmental process that we are seeking.

Second, we are seeking an injunction before the courts to stop any kind of land acquisition or construction related to the project. So, I do not think that we in any way as a government abrogated our responsibilities.

Quite the opposite. We have fulfilled our responsibilities, and we will have the full due process conducted.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I understand very well what the minister is saying, but in terms of the question I make a suggestion.

Rather than going through the courts and abrogating our responsibility to the courts of this country, which could be time consuming, would the minister consider a bill to be introduced Monday of next week to make it illegal for the Saskatchewan government to proceed with construction so that we in Parliament make that decision, that it would be illegal to proceed with construction of the dam until we have a full and complete environmental hearing. I just make that as a way of a suggestion in Question Period in order to have some action on this and raise this issue immediately.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I appreciate the suggestion.

I just would like to repeat to my hon. colleague and every other member of this House that over the last three days, I have gone over all the options that we had.

I believe that proceeding with the injunction is the most effective option to ensure that we do in fact get a full environmental hearing of this case. That is the way I am proceeding for the moment.

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YOUTH UNEMPLOYMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Deputy Prime Minister.

The Deputy Prime Minister will know that young people make up 19 per cent of the labour force in Canada, but they represent 38 per cent of the 175,000 workers who have been laid off in Canada in the last six months.

While the national unemployment rate is 8.2 per cent, the unemployment rate among young people has now reached 13.6 per cent. I want to ask the Deputy Prime Minister: Given the devastating loss of jobs and the disproportionate increase in the lay-off of workers among young people in Canada, what specific policy is this government putting in place to deal with youth unemployment and the hopelessness that comes with it?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, I would like to answer the hon. member by first reminding him that when his government was in office, the unemployment rate for young people in Canada was over 20 per cent. That was in 1981-82.

On the question with regard to the specific initiatives that we are taking concerning youth, I would like to remind him of our most recent initiative, which is the Stay-in-School initiative to make sure that people at least complete high school.

My hon. friend will know that if we ccan get our young people to complete high school in this country, they will double their chance for employment. That is why this government is investing over $300 million in the course of the next three years to make sure our kids stay in school and get better jobs.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister's attempt to compare the numbers from a world-wide recession in the early eighties to a made in Canada recession in the nineties is not going to wash with Canada's young people.

Since 1984, given that this government has cut 35 per cent of the training budget in Canada and is attempting now to generate new training dollars by taking those dollars out of the pockets of the unemployed and Bill C-21, I again ask, what is the Government of Canada doing to assist those thousands of young people who are now on the streets, desperately in need of a job, wanting to do a job, wanting the dignity of a pay cheque but who have had no hope from this government? What specific policies does this government offer?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, I am surprised at the hon. member, as knowledgeable as he should be, when he talks about Bill C-21.

One of the problems that young people of this country are experiencing at this time is that they lack job training skills. If the hon. member's colleagues in the Senate would allow us to get on with Bill C-21, we would have more than $100 million ready for youth for training in this country. That is his fault, not ours.

CORPORATE SPONSORS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is directed to the Deputy Prime Minister.

I am sure Canadians saw the final straw this last week, when they saw the government entering into a special deal with McDonald's hamburgers through Canada Post: If we make ogo-pogo burgers or Sasquatch burgers, we will get the subtle endorsement of the Government of Canada.

• (1200)

My question to the Deputy Prime Minister is: Where are we going? Is it Wendy's in support of health and welfare next, or Burger King in support of veterans affairs? Is Ronald McDonald really leading this government? Where is this government going with this policy?

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons)): Mr. Speaker, can I ask my hon. friend what he has against corporate sponsors who help youth, who help sports, and who help other members of society?

What is it with the socialist party in this country?

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Ronald J. Duhamel (St. Boniface) moved for leave to introduce Bill C-339, an act to amend the Canada Elections Act (appointment of proxy voters, non-listed electors and advance polls).

He said: Mr. Speaker, this particular bill, if it were to be passed would actually guarantee that every single Canadian, no matter where he or she happened to be on an election day at the federal level, would be permitted to vote on that particular day provided that he or she were entitled to vote under normal circumstances or under the conditions that exist.

It was unfortunate that during the last election many people who could have voted, who were out of the country, who were not enumerated or for any number of other reasons were not in fact permitted to vote, did not do so. Democracy is so precious that everyone who wants to participate should be able to do so. This particular bill would counteract that. It would guarantee every single Canadian that opportunity.

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

[*Translation*]

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): A point of order, Mr. Speaker. I seek the indulgence of the House to revert to tabling of documents. I would like to table orders in council.

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

Some hon. members: Agreed.

Mr. Danis: I appreciate the kindness of my colleagues.

* * *

ORDERS IN COUNCIL

TABLING AND REFERENCE OF APPOINTMENTS

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Pursuant to Standing Order 110(1), I am pleased to table in the House, in both official languages, the orders in council announcing appointments made recently by the government.

These orders in council are deemed to have been referred to the standing committees listed in the appendix.

* * *

[*English*]

INDOOR AIR QUALITY ACT

MEASURE TO ENACT

Mr. John Manley (Ottawa South) moved for leave to introduce Bill C–340, an act relating to indoor air quality.

He said: Mr. Speaker, given that Canadians as a people spend more than 80 per cent of their time indoors this bill respecting the Indoor Air Quality Act would empower the minister of health to establish a national research centre, which would be able to conduct research and study all aspects of indoor air contamination. It would develop methods and technologies for the processes of detection, correction or prevention of indoor air contamination. It would also enable the minister of health to formulate comprehensive plans and designs for the control and abatement of indoor air contamination. It would promote public education with respect to the hazards of indoor air contamination and would enable him to develop and disseminate informational materials relating to indoor air contamination.

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

* * *

VARITY CORPORATION

CLOSURE OF WINDSOR PLANT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to seek unanimous consent to put a motion to the House dealing with a most important development in the last few days in the Windsor area.

It deals with the Varity plant and the Bobbsey Twins act of Bob White and Bob Rae getting together with the Prime Minister and spending Canadians out of style, making this depression very difficult for us.

That motion would address the specific problems of the investments of Canadians in the Varity plant in Windsor and its closure, which is wasting our money.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is there consent?

Some hon. members: Agreed.

Some hon. members: No.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition from 210 petitioners from Bonavista Bay, Charleston, Musgrave, Cannings Cove, Bloomfield, Bunyan's Cove, Georges Brook, and the Clarenville

area. I have spoken to most of them; I recognize their names.

These petitioners are very concerned that the rate of unemployment in Newfoundland is the highest in the country. They want to have their unemployment qualification time reduced from 14 weeks to 10 weeks. To do that there is a need to introduce the variable entrance requirement, which has been done every year in this House since 1976.

The petitioners humbly pray and call upon Parliament to introduce the variable entrance requirement immediately.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise in this House to present a number of petitions from Canadians from several provinces, including the province of Manitoba.

These people condemn the goods and services tax, particularly as it applies to books, magazines, and newspapers. They believe, as do a number of other members and I, that reading and everything that is associated with it is the cornerstone of a democratic society such as ours.

We in fact benefit as a country if we have a more educated citizenry. They also see it as a cornerstone of our economic and social development. Therefore they ask this government to remove this tax, particularly as it applies to books.

[*Translation*]

HERITAGE LANGUAGE TEACHING ACT

Mr. Joseph Volpe (Eglington—Lawrence): Mr. Speaker, pursuant to Standing Order 36, this petition is certified correct as to form and content.

Many Canadians urge Parliament to ensure that the preservation and enhancement of heritage languages be part and parcel of government policy, for they point out that thousands of students and teachers rely on government support to survive. They ask Parliament to maintain the programs which will provide quality heritage language teaching in Canada so as to preserve and promote our multicultural heritage.

[*English*]

GOODS AND SERVICES TAX

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, while I am on my feet I would like to present another petition from members of the Canadian Federation of Independent Business, which is in my riding, numbering over 200.

They vehemently oppose the imposition of the GST and call upon this Parliament to implore the government to withdraw this most unjust of taxes.

[*Translation*]

OLDER WORKERS

Mr. Alfonso Gagliano (Saint-Léonard): Pursuant to Standing Order 36, Mr. Speaker, I have the honour to present a petition bearing 437 signatures. Your petitioners request that programs for older worker adjustment be open to all permanently laid-off workers regardless of the number of employees in the company and the location of the plant, for this would do away with discrimination resulting from the requirement that eligibility for this program is restricted to companies with more than 100 employees.

• (1210)

[*English*]

ILLITERACY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured to present a petition on behalf of a number of citizens from British Columbia who state that 25 per cent of the Canadian adult population is illiterate and that in some regions illiteracy exceeds 40 per cent.

They also state that literacy skills are increasingly important in the work place and illiteracy costs Canadian society $10 billion a year. Therefore these petitioners call upon Parliament to undertake a major national campaign against illiteracy and create a community base for remedial and preventive illiteracy programs which respond to the needs of individuals and groups involved.

WOMEN'S RIGHTS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have a petition to present to the House today signed by residents of British Columbia.

The undersigned, your petitioners, humbly pray and call upon Parliament to introduce and systematically enforce legislation guaranteeing Canadian women equal pay for work of equal value and equal opportunity for employment.

FAMILY BENEFITS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise under Standing Order 36 with a petition from residents of my riding of Mission—Coquitlam who I am sure are very sad today, because what they are calling for in their petition is the provision of tax relief and fairness to Canadian families by increasing benefits paid through family allowances and through refundable child tax credit.

As a result of the decision made in the Senate last night by collusion between the Liberals and the Tories, they feel very gravely that that will not happen.

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition here signed by a number of citizens of Glengarry in the great riding of Glengarry—Prescott—Russell. In particular, these are mostly residents of the Alexandria area, the town of Alexandria which we affectionately refer to as "Alexandria the Great".

The people of "Alexandria the Great" are against this government's proposed GST, the grief and suffering tax. They ask that the government abandon forthwith the planned GST which causes more inflation and more recession.

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am pleased to present a petition today on behalf of petitioners from Scarborough, Brampton, and Etobicoke.

This petition concerns essential assistance and protection for those persons inflicted with serious allergy reactions. This was brought to my attention because of the premature death of Robyn Allen in Scarborough and supported by the Allergy Information Association.

It calls upon Parliament to enact legislation amending the food and drug regulations to require manufacturers to list specific food ingredients and additives used in prepackaged foods. As well, it calls upon restaurateurs and food retailers to provide a list of food ingredients presented on prepared foods.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to present a petition signed by numerous residents of the famous riding of Glengarry—Prescott—Russell, so ably represented in this House by their hon. member who sits on this side.

These petitioners would be astounded to know that the government is persisting in its intention to pass the goods and services tax into law after so many millions of Canadians have signed petitions against this tax, including these petitioners, residents of St. Isidore, Apple Hill, and Maxville in the riding of Glengarry—Prescott—Russell. I am pleased to present this petition on their behalf.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to present a petition, pursuant to Standing Order 36, on behalf of a number of constituents from Kamloops who point out that the government is going to tax reading material for the first time in history. Consequently they are asking the government to curtail direct taxation on literature, particularly children's story books.

I have another petition I wish to present on behalf of a large number of people from Chase, Pritchard, Monte Creek, Westwold, Dallas, Valleyview, Barnhart Vale, and Rose Hill.

The petitioners are pointing out their opposition to the government's goods and services tax. They suggest that it will add to the cost of living and thereby increase the rate of inflation, which will likely then result in increased interest rates and more difficult economic times. They are suggesting that the government should be implementing an effective minimum tax on profitable corporations instead.

The petitioners are asking the Government of Canada to back off on the goods and services tax and replace it with a system of fair taxation.

RIGHTS OF THE UNBORN

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition on behalf of 30 of my constituents of Stormont—Dundas which has been duly certified by the clerk of petitions. These individuals are calling upon the government to invoke the notwithstanding clause of the Cana-

dian Constitution so that Parliament can legislate total protection for all human life including the unborn.

GOODS AND SERVICES TAX

Mr. Bob Kilger (Stormont—Dundas): I have another petition, Mr. Speaker, from people in the greater Toronto metropolitan area calling upon the government to remove the GST, particularly as it applies to the written word.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN HERITAGE LANGUAGES INSTITUTE

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Weiner that Bill C–37, an Act to establish the Canadian Heritage Languages Institute, be read the third time and passed.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, as I was saying before Question Period, on October 27, children, teachers, parents and administrators of heritage language schools in the Ottawa area will hold a demonstration on Parliament Hill.

On this occasion, there will be a presentation of handwritten letters and children's drawings from each school, protesting cutbacks in funding to the schools.

Mr. Speaker, both before and after this event, we shall regularly table petitions in the House, in order to put pressure on the government.

[*English*]

Mr. Speaker, I do not want to see this institute become window dressing for a government that has left the cupboards of heritage language education bare. I must really question the effectiveness of this move and ask how much it can really do.

I am also concerned about funding for aboriginal languages. I am concerned that this government has cut funding for various native newspapers and publications. I am concerned that this government's policy does not satisfy the language needs of Canada's aboriginal people.

I would hope that all members of this House would support the private member's bill of my colleague from Western Arctic calling for the creation of a native language's institute.

[*Translation*]

Mr. Speaker, in concluding, quality education is and remains the key to the future. The Institute must serve those people who wish to promote their cultural heritage and who are dedicated to sharing their knowledge with their peers. We in the Liberal Party support the establishment of this Institute, but we intend to watch the situation very closely to ensure that no region is neglected.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to stand at the third reading stage of Bill C–37, an act to establish the Canadian Heritage Languages Institute.

Every year we welcome thousands of immigrants to Canada from many different lands. Of course, if they do not speak English or French when they first arrive, it is essential that language training be a first priority in order for them to adjust quickly in Canada.

• (1220)

This requires adequate federal and provincial resources for English as a second language classes or French language classes so that children will have the extra help they need and schools will not be overburdened. In the city of Vancouver this is a very crucial concern at this time.

Adults of all ages, and I include women as well as men, who often have the priority for language training related to employment, must have language fluency to become Canadians. Elderly persons who come to Canada to

become a part of our society need opportunities for training in Canadian languages as well. This, I think, is the first language priority in multicultural Canada.

I must say before I speak to this bill that I regret very much that the federal government does not fulfil its responsibility to adequately finance language training in French or English for either adults or children.

The opportunity to maintain and learn heritage language also has been a very important component of Canadian multicultural policy. The government itself has repeated this objective often.

Language reflects culture, and young people need an opportunity to speak the language of their parents and of their grandparents, in order to appreciate their roots and to develop their identity, as part of becoming Canadians. It enriches all of us to have Canadian citizens who are fluent in second languages or, in some cases, in third languages. We can be very proud of the cosmopolitan, international character of our Canadian mosaic and our Canadian communities.

In my riding of Vancouver East, Mr. Speaker, I often visit heritage language schools, where children spent their Saturday mornings learning the language of their parents and their grandparents. Along with that, of course, they absorb the culture and reinforce their parental culture.

I want to pay tribute at this time to the hardworking teachers in these schools and in schools for heritage language classes right across the country. These teachers often work with very few resources and on low salaries.

Also I have known of children in my riding, and I am sure other members have similar experiences, who did not learn the language of their parents or grandparents. When they become teenagers, very often there are serious communication problems that create barriers between generations, and even lead to family breakdown.

Heritage language classes cost very little and they bring values to our society as well as to individuals. Therefore, we support the concept of a heritage language institute. Even more, we support the government subsidies. They are pretty small subsidies when you look at individual classes that have in the past been given to heritage language schools.

We regret very much that the government eliminated $4.1 million for heritage language classes from its last budget. This not only denies their stated policy, but it has forced the closure of many schools. It is of major concern to ethnocultural groups across this country.

Bill C–37 which we are debating in its final stage today is to establish a Canadian heritage language institute, an institute to be based in Edmonton. It is very sad, and I think somewhat ironic, that on the one hand, while the government takes away $4.1 million from last year's budget for heritage language classes, on the other hand, it has decided to give a little token back in the form of $1.2 million, just a fraction of the budget for previous years and only over a five-year period, let us not forget, to provide research and to assist the very heritage language classes it is killing off in communities because of inadequate funding.

We are not opposed to establishing a heritage language institute but we do seriously question the government's priorities and the political motivation in this instance. It certainly appears that the institute is a token political gesture so that the government can save face for having cut funding to the first priority, which must be the very community classes that will provide heritage language and for which an institute would be established.

What is the purpose of the institute and what are some of the concerns that were expressed by most witnesses that appeared before the legislative committee? I would like to quickly summarize some of these.

The purpose of the institute, as stated in the bill, is to provide a resource centre for the production, acquisition, retention and dissemination of information related to heritage language classes, a research centre for conducting studies on all aspects of heritage languages and for setting standards on how they should be taught. I think most witnesses that we talked to and people who we have been in touch with across the country feel that this is a valuable service that is needed, provided you have the classes and the communities to use it. It also would provide a public relations centre for promoting heritage languages and maintaining liaison with governments and institutions.

The funding would be $6.5 million over five years and then, I assume, it would be terminated. Surely that must be a major concern for those who will on the board of this institute. Their headquarters will be in Edmonton. We do not object to this but I think it should be pointed out that according to an eminent researcher who consulted various groups and made proposals to the government, that one of the priorities that made Edmonton and western Canada a priority was the fact that heritage languages of western Canadians could be stressed. This should give particular priority to immigrants from Asian countries who have quite a different basic language base from European groups that came earlier to our country.

We agree that a resource centre of this kind will be valuable, provided that we are able to maintain frontline community services. I would like to mention a number of concerns that were expressed in committee, that have been expressed in letters and conversations that we had with a number of witnesses. These people have direct experience in heritage language classes. I would like to mention again that we debated this at great length with a number of very eloquent speakers at the last stage of amendments.

The point I would like to make is the very strong request that came from aboriginal organizations that the languages of founding peoples, the aboriginal peoples of Canada, be excluded from this bill. They must have support to establish a separate aboriginal language institute. This was debated in committee. We were glad to see that the reference to aboriginal languages as part of this particular institute was deleted. There was not an amendment added which we had strongly proposed, and which was requested from aboriginal organizations, that would specifically mention exclusion of aboriginal languages.

There were a number of very eloquent speeches made on the question of the need for recognition of aboriginal languages, with both the preservation and teaching of these very important languages that are unique to Canada and North America.

One of the major concerns and a continuing concern is the funding cuts to heritage language classes.

• (1230)

This was a concern of every witness who came to committee and many whom government members refused to hear. I think they were a little afraid to have the constant criticism from groups across the country.

In fact, I want to say that the Heritage Language Association of British Columbia has refused to support the Heritage Languages Institute until funding of classes is restored. Other witnesses supported Bill C-37, but called very strongly for reinstatement of funding to classes as a priority.

The Secretary of State, as I said earlier, despite receiving only a 5 per cent cut in its total 1990 budget, eliminated the $4.1 million annual subsidy to heritage language classes across the country. I want to repeat, as I have said many times and other speakers have said before in the House, that this means a 100 per cent funding cut for the 1,500 schools and 129,000 students who are learning 60 different languages. Many schools have had to close down as a result, and others have had to raise tuition fees which makes them inaccessible to children from low income families.

I want to mention, particularly, some of the more recent immigrant groups. I am thinking of immigrant groups from Asia and the Middle East, although there are not quite as many groups in my own community from that region. These are groups that have not had heritage language classes established and they do not have a curriculum. There should be priority special funding to establish classes for these newer language groups that have come to Canada.

There have been leaders of ethnocultural groups and heritage language associations and students and parents representing different languages from every region of Canada who have lobbied hard for the reinstatement of funding. I note that there is going to be a cross-Canada rally on Saturday, October 27, including a rally here on Parliament Hill, to express again the great concern that there is still on this matter. It will not go away.

The government must realize that groups are not going to forget about this and that they are going to keep insisting, as we are, that there must be federal responsibility for funding for heritage language classes. It is absolutely ridiculous that we can consider putting millions of dollars into an institute when the very classes

that are to be served by this institute are being quite undercut by this withdrawal of funding.

We are very concerned that the government really has very misguided priorities. The minister's rationale of course was that language classes should be a provincial responsibility. We hope the provincial governments will contribute, but let us not forget it is the federal government that has a responsibility for immigration and for multiculturalism. This falls directly within the responsibility of those two federal jurisdictional responsibilities.

Witnesses have also told us that there simply is not provincial funding and there never will be in many regions. I am sure in the Atlantic region this is true. In British Columbia, schools have closed because we do not have adequate provincial funding. I do not think the federal government can just slough this off and think that it is going to get away with it.

Another concern we have to look at is, while it sounds as if the $6.5 million over five years is a lot of money, actually, Mr. Speaker, when you break it down per year and think of it being ended at the end of five years, this is a pretty insufficient amount of money. One of the concerns that we have, and that witnesses had, is that it does not allow for any decentralizing of services of the institute to serve other regions. I know people in the province of Quebec, for example, will have concerns about this, as will people in other regions. Originally this institute was to focus on western needs, as I said, but as time progressed and as the bill came into being, the minister's interpretation has certainly been that this is established to serve all of Canada. I am not sure that it is possible to do that.

Dr. Kreisel, one of the researchers who conducted the feasibility study, said very strongly in committee that this institute should be an institute without walls. We do not need a lot of centralized, bureaucratic, academic institutions. We need the resources to go out and help people in the communities where they live and that will be able to use the funding and so on to be just as close to teachers and students in communities as is possible.

It should be a very practical institute and it should work very closely with people in the field and we would urge that this be a major focus of the institute.

I want to mention another question which came up a number of times. It was a very legitimate question. On the one hand, the government has taken all the federal funding away from community heritage language classes and, on the other hand, it has decided to give $65 million for the elite kind of training of business people, under Project 2000, related to the Minister for International Trade. The government has decided to give $65 million while $4.1 million has been taken away from community language classes where children can learn, as they are growing up and be fluent in these languages, particularly in Pacific Rim languages.

We feel very strongly that the learning of Pacific Rim languages, particularly those which are going to be useful in trade, are very, very important. But let us not kid ourselves. We have enough experience in teaching French as a second language to know that it is best to start learning the language at a younger age.

From an administrative point of view, it makes great sense to include the training needs for languages which will be needed for Pacific Rim trade, as part of this institute referred to in this bill that we are debating today. Why should it not be specializing in the languages that are necessary for trade, developing the kind of curriculum, teaching aids and supports for the establishment of practical classes for business people and others? We do not see the kind of priority for this elitist approach of putting $65 million toward training for business people, while taking away money from classes for children and not including these classes under this institute because they certainly will need the kind of resources that supposedly this institute will provide.

I want to make one final point that was part of the criticism of the whole process in the legislative committee on Bill C-37. It is important not to forget that, once again, opposition members worked very hard to try to bring amendments that would improve the bill. The government, as it has consistently done in other committees in which I have been involved in the multiculturalism area, refused to go along with amendments.

In particular, we had hoped that the government would accept amendments that would empower the institute to fund heritage language classes, as a desperate last attempt since the funds were being taken away from the other direct funding. Some of the witnesses we

questioned suggested this could be used especially for new languages which are not as well developed.

We also felt that there should have been an amendment, as I said, to assist in the teaching of the languages which would be beneficial to Canada's international trade and international relations. This amount of money then could have been integrated.

I would like to point out also that the government members on the committee also tried desperately hard to limit public input by refusing to hear regional witnesses. It was only after opposition members threatened to boycott meetings that they reconsidered. It is pretty disgraceful when these kinds of things happen.

• (1240)

I would like to quote quickly an excerpt from a letter that was received from the B.C. Heritage Language Association which reflected the concerns of many witnesses. They state: "The harsh reality for B.C. heritage language learners is that closures of heritage language schools is inevitable. We are affronted by the hypocrisy of removing grassroots support while giving to a potential mausoleum."

We will not vote against this bill because it has been our policy to support the establishment of the Canadian Heritage Languages Institute. However, once again, we ask the government to reinstate essential funding for heritage languages classes in communities as its first priority.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a very simple question. I would like to ask the member if the New Democratic Party is for this bill or against this bill? I could not make heads nor tails of what she was saying.

Ms. Mitchell: Mr. Speaker, as I stated in my remarks and in previous speeches that we made in the House, we will be supporting this bill reluctantly. We support the concept of an institute, but we do so with the expectation that the government will reinstate funding for heritage language classes.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am honoured to be able to speak to this act to establish a heritage languages institute.

[*Translation*]

My premise is that learning languages, whether the language happens to be English, French or any other languages in Canada or on this planet, is a means of personal enrichment. I firmly believe that we should not neglect languages. Certainly not.

[*English*]

We all realize that in this country, English, as it should, has received a lot of attention and it must continue to do so. We recognize as well that the French language has increased in importance and significance and it has had more opportunities to develop, as it should.

We also have to admit and acknowledge that the treatment we have given to native languages and heritage languages has not at all been appropriate. It has been sadly lacking.

Why are languages so important to people and indeed to Canada. Rather than try to give you the reasons myself I want to quote from testimony given to house committees here. The first is from Eli Taylor, an elder of the Sioux Valley Reserve in Manitoba. He made the following points:

> "Our native language embodies a value system about how we ought to live and relate to each other—It gives a name to relations among kin, to roles and responsibilities among family members, to ties with the broader clan group—There are no English words for these relationships because your social and family life is different from ours. Now if you destroy our language, you not only break down these relationships, but also you destroy other aspects of our Indian way of life and culture, especially those that describe man's connections with nature, the Great Spirit and the order of things. Without our language, we will cease to exist as a separate people.

In terms of heritage languages, I would like to quote some of the testimony given by Ms. Sarah Del Rosario, who is a heritage languages teacher with the United Council of Filipino Associations in Canada, who represented the Canadian Ethnocultural Council. She stated as follows:

> These languages are a symbol of the fundamental respect to Canadian communities of origins other than French or English—they are central to the cultures and the cultural preservation and promotion of minority ethnocultural communities.
>
> —they are a central aspect of Canadian multiculturalism as lived by families in towns across Canada—They assist in developing positive attitudes towards the national official languages policy. They assist young people in their ability to learn a third language, often the official language—As well, they greatly advance the international trading ability of Canada as more Canadians develop a detailed and enthusiastic knowledge of the languages, cultures, and norms of countries all over the world.

Let us go back to the institute. Why are we founding this institute? Why is it that we think this is a good idea? I have tried to argue that the preservation and learning of heritage languages is important from a number of perspectives. The cultural perspective because, as the world changes, we recognize that we need to learn to get along with each other, no matter what kind of linguistic, religious or other backgrounds we come from. This is of paramount importance to each and every one of us, whether we be Canadians or people from other countries.

We recognize as well from a social perspective that people with other languages often see problems rather differently than we do, but some of their approaches are in fact superior to our own. If we can protect and enhance their language, it will enrich us as well.

We know that from an economic perspective there are tremendous gains to be made in the preservation of language and culture. Let me give some examples of some of the languages that we have in Canada, and obviously I cannot cover them all, and some of the trade that we carry on with some of the home countries of those particular languages.

First, over 300,000 Canadians claim Chinese as their mother tongue. Canada's total trade with Hong Kong, the People's Republic of China and Taiwan exceeded $8.9 billion, the latest figures available. We have over 125,000 Canadians who claim Dutch as their mother tongue and we do roughly $2.2 billion worth of trade with Holland. Over 85,000 Canadians claim Spanish as their mother tongue and if we look at the trade that we undertake with Spain, Mexico, Argentina, Peru and Venezuela, it amounts to almost $4 billion. Over 20,000 Canadians claim Korean as their mother tongue and if we look at the trade with North and South Korea, we have trade in the area of $3.5 billion. Over 160,000 Canadians claim Portuguese as their mother tongue and if you look at Portugal and Brazil, we have close to $2 billion in trade. Our total trade with Japan is almost $19 billion and there are, according to my statistics, roughly 20,000 Canadians who claim Japanese as their mother tongue.

Almost 500,000 Canadian citizens claim German as their mother tongue and if we look at our trade with West Germany it totals $5.6 billion. If we add Austria and East Germany, it exceeds $6 billion. Our trade with the U.S.S.R. is roughly $1.3 billion and if we look at Canadians who claim Ukrainian, Russian, Estonian, Latvian and a number of languages from that particular group of countries, we have an important number indeed. Over one million Canadians claim Italian as their mother tongue and with Italy we do almost $3 billion worth of business.

Quite apart from the cultural benefits and the social benefits, there are serious and important economic benefits and I have given but a few examples. It would seem rather silly, ineffective, inefficient to try to teach those languages to people who already know them when we know full well that we will need them in the international markets of the world as the world changes quickly into a global community.

[*Translation*]

I would now like to discuss some very serious problems with this bill. First of all, people who were directly affected will never forgive this government for cutting more than $4 million in funding for courses taught in heritage languages. They were deeply hurt.

Also, is this a symbolic gesture or has a deep commitment been made? With there will be sufficient funds to ensure the Institute's mandate is carried out? Will the Board of Directors, when it represents from 50 to 60 members, include enough people with an interest in heritage languages?

• (1250)

Will the Institute realize that it will have to work together with various urban and rural communities, universities, people who teach these courses, families, young people and the not-so-young? Will it realize there are a number of groups that must be brought together so that their expertise can be used and we can truly benefit from their knowledge? This should not become an elitist institute that responds only to a single group.

It will also be necessary to make frequent assessments of the Institute's performance, in a manner that is fair and equitable. We want to ensure that the Institute is able to achieve the objectives it has been set, but I see no mechanism for doing so.

[*English*]

There are also very important explanations that must be given to the Canadian people with respect to this particular initiative. Let me give some examples. The English language community wonders why, as it should with some justification. What is this going to accomplish?

Is this the way we ought to be going? This explanation is needed just because of what is happening. The need is even compounded when one looks, for example, at *The Free Press* of October 7, 1990, where the hon. member for Winnipeg South is referred to in a headline that reads: "Multiculturalism Policy Divisive, Dobbie says". It goes on to say that the policy is a waste of money. When you get comments like that from the government side, clearly that leads to confusion, frustration and anger.

What was the response on October 11 from the same newspaper headline: "Anti-Multiculturalism Remarks Rile Ethnic Leaders"? Surely these kinds of comments are really quite insensitive and suggest that the government is not really serious. It suggests to a number of Canadians that perhaps this is nothing but symbolic window dressing. Perhaps there are things that are changing. We really do need some explanations from the government. We need to make sure that this is a sincere gesture.

[*Translation*]

And I would not wish to overlook the Francophones in this country. My good friend Mr. Forest, who died a few months ago, called me about this. He was all for setting up the Institute, but he wanted to make sure this would not in any way diminish the French language. We will therefore have to make Francophones in Canada understand that establishing this Institute will merely add to what is already being done for their language and culture. If we do not give them these assurances, there may be some very negative feelings.

[*English*]

With respect to our aboriginal peoples, they have indicated that they do not want to be considered under this particular bill. We can best show that if we support them, we must support the private members' bill proposed by my colleague from Western Arctic who suggests that a parallel institute be created for aboriginal languages.

[*Translation*]

Mr. Speaker, after these comments, I would like to say that, together with my colleagues, I am prepared to support this bill, with the reservations I just mentioned. On the whole, I believe it is a very important initiative. On the other hand, certain precautions must be taken, and I hope that for once the government will listen.

[*English*]

Mr. Gauthier: Mr. Speaker, I apologize to the Chair. I believe that members on this side of the House, at least in the Liberal Party, have agreed that we would like to start sharing our time in two 10-minute periods, followed by the usual five-minute questions and comments. That is because we have a large number of members who are interested in this bill and who would like to expedite the legislation as fast as possible.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I know that my venerable House leader did that in order to prevent you from having to listen to another of my tirades for more than a minimum amount of time. That really is not so because he is interested in making the affairs of the House go much smoother. I thank him anyway for standing up and at least giving me an introduction in such a tentative fashion.

We have debated this bill in the past and we have highlighted the pitfalls associated with it. My colleague from the NDP, who is normally very thorough in her analysis of all of the things that go wrong with the bill, or with any bill, has been quite correct to outline many of the drawbacks to this one.

I am at a little bit of a disadvantage, having followed a colleague from my caucus who is very erudite and who is also very knowledgeable in this area. He has given us some very good reasons for supporting the heritage language foundation and heritage languages in general.

One of the things that bothers me as a member of the House, after having gone through committee and debated this bill at second reading, is that what we have seen, both through government action and through some of the debates that have taken place in the House, a picture of a country that is so great and diverse as Canada—I use great in a qualitative fashion, rather than in a geographic sense, because this is a country that has become the host or hostess of the largest number of different peoples throughout the entire world.

My colleague from Winnipeg just pointed out the major language groups. He indicated for the purposes of this House those numbers of Canadians who identified

themselves as functioning in a mother tongue other than English or French.

That does not mean that those people identified themselves as being Chinese, Korean, Italian, Portuguese or Spanish. They identified themselves as Canadians whose mother tongue, whose language of function, happens to be the ones that he enumerated.

I draw to the attention of all members the statistics that my colleague presented for consideration. When we are talking about people who identify themselves as functioning in a language other than the ones that are official in this country, the number—again I remind all listeners that it was only a sample—was well past three million Canadians who function in a language other than the two official languages.

It calls to mind what I started to say a moment ago, that a country that is capable of hosting people who still function in other languages, other than the official ones, finds itself with a government which through legislation has demonstrated a most parochial and narrow view of the way its own citizens relate one to the other and the way its own citizens developed the economy of this country and the way in which they establish an opportunity, a bridgehead if you will, with other areas of the world.

My colleague from Winnipeg has pointed out to all of us here who were not aware that we have tens of billions of dollars of trade with countries as a result of the contacts established by those people who function in a mother tongue other than English or French.

Those people would not include individuals like myself whom StatsCanada would not identify as operating in a mother tongue other than English or French, but who comes from one of those other racial or linguistic groups.

If we are serious about some of the statements that the government is making, what we should be doing is examining these kinds of initiatives in the context of the broader government initiative.

The parliamentary secretary for citizenship and multiculturalism was very proud to point out that this is another step in the establishment of broad multicultural principles which are supposed to govern this country. We have had opportunity to criticize employment equity as a function of those initiatives. We have had opportunity to criticize and analyse the function of heritage language cuts in that context.

• (1300)

I know hon. colleagues will already have been impressed with the intrinsic value of language. They will also be impressed with the analysis of what happens to policy and what happens to the dictates of commitment to the development of a country and to government policy when, on the one hand, it withdraws funds that allow for the further generation and development of language groups and, on the other hand, it establishes a foundation which has a series of nine purposes that are supposed to do something positive.

Perhaps we are stealing from Peter in order to pay Paul. I am going to be kind, because I saw throughout the parliamentary committees and the standing committee at debate on second reading an opportunity that no one has identified just as yet, that is an opportunity to establish the infrastructure for a truly multicultural policy which should permeate all departments.

We have had the Minister of State for Multiculturalism and Citizenship and his parliamentary secretary, with great pride outline the fact that now we finally have a separate department for multiculturalism. Presumably that department will flourish, develop, grow, and eventually reflect the demographic reality and diversity that is Canada.

As well we heard her say: "Look, we now have this foundation, the Heritage Language Institute." The legislative committee on a race relations foundation will present its report next week. We have at least three pillars for the establishment of an infrastructure. The parliamentary secretary and her minister have given us an indication that there may be a parallel or sister foundation for native heritage language programs. There will be four pillars of the development or identification of a much more varied society in Canada.

If we are taking all of these initiatives, why would we start cutting funds that are absolutely crucial to the maintenance of language programs which will allow young boys and girls the opportunity to study a language, thought development, culture, philosophy of life, historical and cultural traditions that emanate from their parents and their family life and to give them an opportunity to discover themselves and do it with pride

before or while they integrate into the mainstream of Canadian life?

Why would we withdraw funds that would make it opportune for Canada to generate new Canadians as solid, self-confident, aggressive individuals who see themselves for what they are and who see themselves as part of the whole Canadian mosaic?

I do not know whether hon. members would agree if on one hand they acknowledge that they welcome and in fact encourage such a development and on the other hand they remove the means whereby that development can come to realization.

If I were to spend more time describing why it is that language development is important, I do not know whether the minister opposite who is already very fluent in two languages would not recognize the importance of being fluent in more than two. When I said that we were becoming rather parochial, perhaps I should have been thinking of the minister opposite in terms of what we should be doing when most other countries in the world are encouraging all of their citizens to go to not only the second but a third and fourth language in a global society, in a global economy.

They are taking away funds, $4 million, from something that should be a solid and integral part of where we should be going. While they are removing $4 million from something that could be socially and economically beneficial, they are throwing away, as I said in a statement earlier today, $602 million to poor multinational oil companies for exploration purposes out west.

I think most Canadians and members on this side of the House see an inconsistency that they would like to see corrected, even though they recognize the worthwhile nature inherent in the establishment of such a foundation.

I would hope all members would see this bill for what it is, a first minor step in the direction that we all hope would emanate from the rhetoric coming from the department, a rhetoric that we hope becomes material rather than just empty phrases.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, when the minister introduced this legislation I was very encouraged for several reasons, not the least of which was that I am a unilingual Canadian with all kinds of hopes and aspirations that I would perhaps become bilingual and fears that reality dictates that I may not.

An hon. member: There is always hope.

Mr. Fisher: There is always hope, that is true. I stand here with envy of at least the two people who have spoken before me, knowing that in one instance the speaker is more than bilingual. The fact of the matter is that the way in which the minister first introduced the bill gave me hope that the Canadian tradition of being multicultural, in addition to the other things that have gone on in Parliament and in this country in the creation of the multicultural department, is very encouraging.

My problem is that when it comes down to the reality of it, like so many other things we have seen happen in this country over the last couple of years and what I have seen in the last couple of years in the House, what we really have in the final analysis are some very hollow words. The problem is that the words, hopes and aspirations being generated by a lot of activity on the government side are not and will not come to fruition in anywhere near the grand possibility that is presented within them.

I have received more mail, not only from my own constituency or my own city of Saskatoon but from elsewhere across the country, on the issue of a heritage language foundation and on the issue of heritage languages than I have on any other issue other than the GST. I suppose there is not much use debating the GST at the moment. I certainly want to debate and draw to the attention of other members of the House and yourself, Mr. Speaker, some of the comments that have come to me from people who are concerned about what is happening with the heritage languages foundation.

Their concern is primarily that it seems there has been a tradeoff. That may or may not be the case, but certainly it seems there has been a tradeoff in taking money away from what has been described to me as one of the most valuable educational institutions within Saskatoon and within Saskatchewan, an institute that has over 20 years of experience. The government is taking money away from it and putting it into an institute which will receive funding over a five-year period. It is rather questionable about what will occur after that.

The problem is that these things are not necessarily mutually exclusive and, while it is true that we as New Democrats support the implementation of the institute, it is also true that we decry in the strongest terms the cutbacks in funding to the heritages languages which we have found within our community and which is expressed in far better language by the people themselves who are involved than I possibly could. I have a letter here from the President of the Saskatchewan Organization for Heritage Languages, Shakeel Akhtar, who wrote:

> I am writing to you to convey our anger and dismay over the recent federal budget, which completely eliminated funding for all supplementary heritage language schools in Canada.
>
> In Saskatchewan, heritage languages are taught primarily in the out-of-school situation, relying heavily on the goodwill and determination of volunteer language teachers from the particular ethnocultural communities.

• (1310)

These communities make up the mosaic of our city and province.

I also have a letter from a very dear friend of multiculturalism, immigration and the multicultural mosaic of our country, Mr. Mike Kindrachuk, President of the Saskatoon Multicultural Council. He wrote:

> On behalf of the 12,000 members of the Saskatoon Multicultural Council and our Multicultural School, I must inform you of our shock and outrage at your decision to completely eliminate operating funding for supplementary heritage language schools.
>
> Such radical decisions should not be made without appropriate consultation—

This is another very important issue involved in this whole discussion: without consultation. This is something which has been repeated over and over to me in so much of the correspondence I have received.

Another important point which was made was that it is questionable whether or not there was a cut in funding to the department. I have seen figures which show it actually got a 15 per cent increase, but there has been some indication that it was cut by 5 per cent. I am not in any position at the moment to determine which of those two figures are important, but I am in a position to point out a letter from Linda Flory who wrote:

> We have been informed that the total budget of the Secretary of State has been cut by only 5 per cent. Within this budget the minister cut off the heritage language schools by 100 per cent—

Whether it is a 5 per cent decrease or a 15 per cent decrease, it is a 100 per cent cut to the heritage language schooling which goes on within our heritage communities.

I have another letter from Mr. Thomas Heine of the German community in Saskatoon. Among other things, he wrote:

> It was with great disappointment and dismay that I heard about your recent decision to completely cut funding for all heritage language schools—

With regard to the German community, he wrote:

> We also note that you are planning to establish a centralized Heritage Language Institute—at a cost of $6.7 million. What would be the purpose of such an institute? We note that very few of the heritage language groups are in favour of such an institute: we prefer to teach languages rather than just study them.

I think that is a very important matter when it comes to this whole discussion. He continued:

> Curricula have already been established through the efforts of the various modern language schools across Canada. In the case of the German language schools, graduates are able to obtain international recognition for successful completion of the programs that we have already established.

In personal discussions with Mr. Heine he pointed out that the *lingua franca* of the German language, the Goethe Institute accepts the levels reached within that heritage language school in Saskatoon. It is very painful to those people as well as others that such drastic cuts have been made.

I have a letter from Mr. Charles Pei of the Edmonton Centre of Chinese Heritage and Second Language Studies.

He says:

> I had just returned from the Saskatchewan second heritage language teachers' spring conference in March—held in Saskatoon. I was so surprised by the level of emotion expressed by all participants on the sudden elimination of the Federal government's per student grant to our heritage language schools.
>
> You may not have direct experience with any of these heritage language schools operated after normal school hours by the parents. It is the real community foundation of our multicultural Canada and that is what hurts the feeling of these people so much and they expressed their frustration in the most simple and sincere way a citizen can show. MAD.

Mr. Speaker, the Jewish community in Saskatoon also wrote me concerning the cuts. The Hindi School of Saskatoon wrote and told me that they were terribly concerned about those cuts. I also received a letter from the Jewish Community Centre in Saskatoon. And, I have here a particularly poignant letter from the Cambodian Association. Listen to this, I will quote from the letter:

> We began the the Khmer Language School in the fall of 1989, recognizing the value of retaining the Khmer language and passing it on to our children. But now, after only one year of operation, the School is faced with the threat of having to close because of the Secretary of State's funding cuts. It is impossible to collect fees from the students as they and their parents are—

—all very poor and restricted financial ability.

Mr. Rozdilsky wrote to me, on behalf of the Ukrainian Canadian Committee, to express concern over the cuts for heritage language training.

Mr. Speaker, it is not a matter of not building the institute in Edmonton, it is a matter of building the institute in Edmonton, with the academic and research capability that it will obviously have, and it is also a matter of retaining the funding for those heritage languages.

The heritage languages, as has been pointed out by many other speakers, are so important to the future of this country because, if we have the ability to be able to communicate in this new trading situation which is developing in the world in the languages of other countries, which we must retain within our own country through our own citizens, in comparison to the amount of money we have given to the oil companies, the small amount of money invested for this training would be returned many times.

I would like to remind hon. members that there are going to be rallies and demonstrations across the country and there is certainly going to be one here on Parliament Hill on October 27. I would like to remind those, in Saskatoon, who are listening there will also be one in Saskatoon on October 27 on the corner of Third Avenue and 22nd Street.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is a pleasure to rise and speak on this bill because it gives me an opportunity to talk about a part of our Canadianism that is vitally important to me and perhaps even more treasured by me as the daughter of an immigrant to Canada.

We are, indeed, a fortunate nation. We have been wise enough throughout our history to ask of people who come to this country from another culture and with another language that they retain their language and culture and use them to add to the richness, diversity and vibrancy of our Canadian culture. One of the most important ways we have done this is by encouraging the teaching of heritage languages and, in conjunction with the teaching of heritage languages, the teaching of the cultures and an appreciation of the cultures of the countries from which many of our immigrants have come.

For many cultural groups this has meant, through many generations, retaining a sense of attachment to their roots, their background, to the place from which their families originally came and bringing that as a vital and valuable contribution to their Canadianism and, indeed, to the Canadianism of each and every one of us.

• (1320)

I cannot over-emphasize my emotion when I and other members from the Ottawa-Carleton region met with representatives of the 70 heritage language schools in the national capital area. There are 70 schools just on this side of the river. I was touched by their awareness of how important these schools are, not to them and not to their children, but to the total Canadian society. They talked to me about the importance of their children going into the schools and playgrounds of Canada with an understanding of their culture of origin. They told me that sharing that culture with their fellow students or with their playmates wherever they were meant that not only they but the children from the two founding cultures were also finding their lives enriched and made more interesting by the fact that those of immigrant backgrounds were retaining those cultural links.

It has impressed me as well that Canada has a very important international role to play on a number of fronts. One of those that is certainly most important to me is the environment. I do believe we have a leading role to play in developing technology and leading world opinion so that the countries of the world are co-operating together to avoid the destruction of our planet and to ensure the preservation of life on this earth on a more equitable basis than has happened in the past. What more valuable resource to have as we play that role than to have close to one-third of our population now with

links and family, cultural and linguistic ties to literally every corner of the earth.

The members from the Ottawa-Carleton schools talked to us about how important the schools are in the integration, not the assimilation, of immigrants into Canadian society. In particular the women are often not out in the workforce and therefore have much greater difficulty learning the language. For many of them their involvement with the school is their best way of becoming integrated into Canadian society, coming in contact with other families and learning one or the other of the Canadian official languages, English or French, and through their children and their children's involvement in the school becoming part of Canadian society more fully than they might otherwise do.

That to me is the importance of heritage languages in our society, not an institute. An institute only serves us well if it is there in support of that grassroots process that involves 150,000 children in this country and many thousands more who are teachers and parents involved in the program. If the institute can provide resources, can assist in the development and preservation of heritage language schools right across the country, I wish it the best, but it is thwarted and doomed to failure if the very grassroots for which it exists are cut off as they have been by this government in cancelling funding for heritage languages.

I want to address one other issue because I think it is of vital importance and that is the failure of the government to recognize that aboriginal languages are not, repeat not, part of the whole package of heritage languages. Aboriginal languages are one of our founding languages and part of one of our founding cultures. Lumping them in in the way they have done in this institute has added another dramatic failure to our lack of recognition of the importance of the aboriginal culture and the aboriginal peoples in Canadian society. We have been through a long and bitter summer. The fact that this bill is passing today without the amendment that would have removed aboriginal languages from heritage languages I think is a shame. We have got to remember that we are the birthplace, we are the place where aboriginal languages exist and whether they continue to exist in this world or not depends on whether we encourage and support their existence in Canada.

If we had one small little plant, or one small little insect, that existed nowhere else but in Canada, we would fight to preserve that with every breath we have. Yet we are failing miserably to protect a living culture that thrives and survives through its languages.

We are failing not only our aboriginal peoples, we are failing our own Canadian society and we are failing world culture by not making a commitment to aboriginal languages we should be making.

I hope the institute is successful but I hope it does not become a tree planted in the middle of an urban environment without enough earth around it for its roots to grow. I hope we do not continue to cut off the roots that make this institute relevant to Canadian society. If we do, we will just have another empty shell that serves no useful purpose, that is there as a nice little token that we can trot out to visitors from abroad.

I want to conclude by saying that the schools in this region have decided this is a serious issue. They want to challenge the government to reinstate what it cut from them this year. They will be holding a rally on October 27 on Parliament Hill and I invite any member in the House to encourage their heritage language schools to join them in spirit, if not in person.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I am pleased to have the opportunity to rise in the House today to speak in support of Bill C-37, an act to establish a Canadian heritage languages institute.

The formation of this institute is an important step toward making Canada a truly multicultural nation. Within this year, some 175,000 immigrants will have become permanent residents of Canada. They will have come from every corner of the globe, bringing with them all the richness and colour of their respective cultures, making Canada a better and more exciting place in which to live.

They form communities within which they celebrate their own religions, festivals, foods, and languages. Some of them open shops, restaurants, and other businesses, giving Canadians a taste of their homeland and a chance to begin to understand what would have otherwise remained foreign.

However, religious affiliation, residence in an ethnic neighbourhood, or even marriage within an ethnic group, do not necessarily keep a minority group culture intact. Language is the single most important element in

a culture. Language is the single most effective medium through which to preserve a culture.

[*Translation*]

Mr. Speaker, studies have shown that if an ethnic group fails to preserve its language, integration quickly and inevitably means assimilation. This is a country that is proud of its multiculturalism and its racial and religious tolerance. However, tolerance is not enough. We must play an active role in creating ways in which our ethnic minorities can preserve their language or their heritage. This would be the role of the Heritage Languages Canadian Institute: to promote heritage languages.

There are, however, a number of questions that remain to be answered. Will this Institute meet the real and concrete needs of our ethnic communities?

[*English*]

The institute would have a mandate to promote the learning of heritage languages, to provide information to the public about heritage language resources, to develop programs to improve the quality of heritage instruction, to assist in the production and dissemination of related materials, to assist in the development of learning standards, to conduct research into heritage languages, to establish scholarly and professional links to further their mandate, and to encourage consultation in matters relating to heritage languages.

• (1330)

Research, consultation, and the establishment of scholarly and professional links are obviously very important aspects of an institute of this kind, but who will ultimately benefit?

There is concern that the institute could lose sight of its responsibility toward the actual ethnic minorities while concentrating too heavily on its dealings with academia. It is possible that, without close scrutiny, the institute could find itself providing assistance, not to the students of heritage languages, but rather to language scholars.

There is danger of the institute promoting programs and disseminating information that never materialize in our ethnic communities. I believe the the government must expect to keep a vigilant eye on the proposed institute once it becomes reality in order to ensure that its mandate is indeed carried out towards the survival and, hopefully, the enhancement of our ethnic communities.

The second question which we must address is the lack of adequate programs to educate our new Canadians in English or French as a second language. The need for heritage language training is real and, as I have stated, the preservation of ethnic cultures through language serves only to enrich Canada and its inhabitants. However, the need for our new Canadians to understand and to be able to function productively in at least one of our two official languages is a basic one.

It is imperative that those who are granted Canadian citizenship and who do not come from a country where either French or English is widely spoken be provided with the means to successfully integrate themselves into the realities of their new home. It would be appropriate, given the proposals contained in Bill C–37, that the government take steps to ensure the availability of proper second language training for ethnic minorities in tandem with its efforts to ensure the survival of heritage languages.

Another concern with respect to the proposed Canadian Heritage Languages Institute is the issue of the preservation of aboriginal languages. Deleted from Bill C–37's original text when the bill was in committee was a section which included "any aboriginal language" as a heritage language. This was done at the request of the Assembly of First Nations. Obviously, as pointed out by native leaders, aboriginal languages are founding languages of this nation and not heritage languages.

Heritage languages are those that may be retrieved from one's original homeland, but we can never retrieve an aboriginal language. Once an aboriginal language is lost here in Canada, it is lost forever. To help prevent such losses in the future, it would be necessary for the government to establish a foundation or an institute similar to the Canadian Heritage Languages Institute for the purposes of retaining and encouraging aboriginal languages.

My colleague, the member for Western Arctic, has developed a private member's bill, Bill C–269, dealing with this very issue. As with the issue of English or French as a second language for new Canadians, I believe that if the government has the intention of being

taken seriously with respect to language issues as a whole, it should consider Bill C-269 very carefully.

In closing, I would like to restate my support of Bill C-37. An institute of the kind proposed by this bill is badly needed in Canada. Every year, Canada attracts more immigrants from countries where the language and culture differ radically from our own. The Government of Canada must continue in its efforts to assist Canadians in the preservation of their cultural and linguistic heritage.

We are all very proud to be citizens of this great country, each one with a desire to be a productive part of society and to help make Canada a better place for all. Equally so, the many diverse customs, religions and languages that have come to Canada are worthy of support, for in our diversity we can find the strength to go forward to break new ground in a land blessed with the freedoms and opportunities which we are so fortunate to enjoy.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The hon. member for Scarborough—Rouge River.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise today to speak to this important piece of legislation which we call the Canadian Heritage Languages Institute Act. I would like to make a couple of general comments.

I view this legislation, as I hope we all do, as a mechanism or a way and means of consolidating our country's approach to the development of the teaching and learning of heritage languages.

The profile of the use of heritage languages in this country other than English, French and aboriginal languages, to which I will make reference later, is usually an urban profile, but it is not exclusively so. I am sure that in Moose Jaw, Saskatchewan, Beauce, Quebec, and Pictou, Nova Scotia, there are heritage languages represented there. We really do have a challenge to address this very valuable asset that we, as Canadians, have. I am very confident, subject again to a comment that I will make in a moment or two, that any investment we put into this as a country will be rewarded many times over.

In my own riding of Scarborough—Rouge River, a rough count shows me that there are approximately 20 first languages other than English and French spoken in the riding. I have heard most of them. That does not include Jamaican, which many of my constituents will regard as another language and I say that respectfully.

In my own riding executive, just the table officers represent six first languages other than English. That manifests, at least in the part of the country that I come from, the existence of a reservoir, a bank of linguistic ability that can serve our country, not just domestically, but around the world. I am very confident that we will put that to use.

Language, as well, is perhaps the principal vehicle of delivery of culture, something that we regard as very important in Canada. Language is a vital component of that and, to the extent that we wish to foster further the many cultures found in Canada in all their manifestations, we have an obligation to ensure that language, the vital component of that, is buttressed.

This is a note of caution because I do not think we should confuse heritage language with two other elements. Very briefly, I will speak from a point of reference in my own riding of two challenges which developed beyond the realm of heritage language, but which are not unrelated to it.

The first area is the challenge to develop English as second language education, not just for youth, but for adults. There are great challenges in many of our urban centres. Funding appears to be insufficient. We have large numbers of new Canadians. They desperately require first language training. I use English as a second language because in my riding that would be the dominant first language, but French as a second language has equal validity in the province of Quebec and other parts of Canada where French is the principle language spoken on the street.

The second area is the challenge to all of us of integrating new Canadians whose first language is other than English or French. I think primarily of immigrant women. These individuals need access to English and French training so that they may access the many opportunities that the country has for them and for all of us.

• (1340)

I have to take note then of a modest problem we have here in the definition of heritage language. It has been referred to by many other speakers, including the member for Stormont—Dundas who preceded me. That is the inclusion of aboriginal languages.

I rhetorically ask the question of how much consultation really did take place prior to proceeding with this legislation with a view to providing our aboriginal peoples with a sense of security that their languages would receive the attention they deserve and badly need to ensure their survival. It may be construed as an insult that they perhaps were not consulted to the degree that they might have wished. One thing is certain, I would not want our success in pursuing the goals of this particular legislation in any way to detract from other initiatives that must be there to foster the strength and education in the aboriginal terms.

Another challenge that I see from the structure of the bill that must be addressed—at least I believe we are going to have to address it—is that we have many heritage languages, in excess of 25 or 30. I think there is a challenge to the first directors of this heritage languages institute to ensure that all these languages are addressed equitably and fairly, with some proportionality and a political sensitivity to the presence of all of them.

We do not want to have a Tower of Babel constructed here in the first board of directors. I note that there are only 21 directors. There are a heck of a lot more than 21 heritage languages. I do not envy those who must make the decision as to which languages will be represented on that first board. However, that challenge remains.

The last item I want to take note of is that I hope the government does not hope to choke off this institution by under-funding it. It may look good on paper, but I note that the first year's funding is $800,000 in capital and $500,000 in current expenses. I look at 21 directors and I know how much it costs to move people from one part of Canada to Edmonton. I just have this fear that it will eat up half of that first year's funding just to have its first board meeting.

There are no other mechanisms inserted in the statute to provide funding for all the many good things that this institution will want to accomplish. I caution the government on that. I just have a feeling that the operation is under-funded and there will be many complaints in the months to come about the under-funding. I do not want to by too cynical. I hope the government realizes that it cannot offer what it is now offering and under-fund it. It will have failed in its objective if that is the course it wishes to take.

Having said that, I am happy to include my vote with those supporting this important piece of legislation.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am very happy and honoured to rise and speak on this issue of heritage language.

Before I do so I would like to say a word of thanks and appreciation to the Minister of State for Multiculturalism on this wonderful and excellent initiative. Certainly the bill to a large extent addresses the issue of heritage languages fairly well in the sense that he is setting up an institute that will be used and will act as a clearing house and agency that will pass on information and deal with the issue of heritage languages from close by or from far away. It is there. I could not help but mention one statement made by a colleague, Shaun Murray. He told me the other day that if he one day became the Prime Minister, one of the things he would do would be to allow every Canadian a one-time deal tax deduction, one trip to a Third World country and back to Canada and look at what we have here in order to appreciate the type of country we have and the type of society in which we live. We can appreciate and see how fortunate we are to live in a caring, compassionate country such as Canada. I am very proud of my Canadian citizenship. I value it tremendously.

There is an area that concerns me tremendously as well as it concerns a lot of Canadians, and that is the issue of citizenship. When it comes to good citizenship, we have to make sure that the opportunities are available and provided to citizens from all walks of life, regardless of their background and regardless of the country from which they come, the colour of face, origin and also that they are provided with the tools to become good Canadian citizens.

When it comes to heritage languages, it is very important to let people learn the language of their own country. Also, I believe it is as important for all new Canadians who come to Canada, including myself, to be able to speak the language of the country that has adopted them, whether it is English, French, or perhaps both languages. That opportunity, as it is right now, unfortunately is not available to all Canadians. In particular, it is not available to newly arrived landed immigrants from different parts of the world, whether from eastern Europe, western Europe or Third World coun-

tries, or countries where their people speak languages other than French and English.

English or French as a second language is quite a situation across the country right now. School boards are struggling in order to deal with the high demand for teachers, resources and funds in order to support the school boards to deal with English or French as a second language. They just do not have the resources to deal with that problem.

Here is an opportunity that the Secretary of State has missed. That is to take a leadership role in education. When it comes to English as a second language, it really fits right into what the Minister of Citizenship and Multiculturalism is trying to do, and that is to build a stronger Canada or help to build a stronger Canada. There is a deficiency.

We have done a cross-country check-up. We have called every major school board in every major centre across Canada. Every single school board we contacted told us that they have waiting lists of hundreds and hundreds of people from different parts of the world who want to enrol in a program to learn French or English. They cannot get to these programs. The result is that there will be many people unemployed. As a result of that, they may go on the welfare rolls because they cannot speak the language that will help them to integrate into society. It is a major problem.

On Tuesday next week, we will meet with representatives of school boards from across the country. These representatives will call on the federal government to take some sort of leadership role on the issue and step in to assist the provinces to deal with the issue head on, because the issue needs to be addressed quickly.

We support the bill as opposition members because we believe it is a good bill. It fits in nicely with what we are looking for. We are very disappointed because of the $4 million cut to the heritage language schools, which can affect them quite extensively.

In the Ottawa-Carleton region we have approximately 70 schools that teach heritage languages and the cut would involve 40 per cent of their funding. On average, each school receives approximately $10,000. Four thousand dollars from every school is quite a bit of money when dealing with schools that are operated on a non-profit basis. We are disappointed with that.

• (1350)

The number of children across Canada who benefit from heritage schools is approximately 150,000 to 170,000 students. There are approximately 6,000 teachers involved in providing those kinds of services. That is quite a large number of people who are receiving the benefit of such a program.

The minister ought to be proud of the kind of initiative he has taken on this issue and I would like to thank him.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I was very pleased to hear my colleagues, the member for Ottawa Centre and the member for Ottawa West, speak on this because the three of us were involved, along with a lot of other members of Parliament, in meeting with different people from the various heritage language schools in the Ottawa-Carleton area.

These people met with us and their voice was as one. They did not understand why the cuts were made to their heritage language schools. They did not understand or realize the problems they were going to be faced with in trying to raise the money to continue on with these programs.

Most of these programs are taught on a Saturday and they are taught mainly through the large efforts of volunteers within their own particular cultural community. With the many cuts last June in the budget, Mr. Speaker, fund raising, not just for heritage language schools, but for many organizations and non-profit organizations about the country, is putting stress on the availability of the dollar.

The heritage language school is terribly important for these groups within our country. Before I ask my question, I would point out there are three particular areas that really affects them. It detracts from the ability of ethnic minorities to feel a vibrant part of the mosaic because their full participation as individuals belonging to an ethnic group is denied. Heritage language training provides a competitive edge in the international marketplace and heritage language training promotes the understanding of the importance of culture retention. An understanding of the French fact in Canada would be promoted along with immigrant groups.

My question to my colleague for Ottawa Centre is that some months have passed since that meeting. I believe it was something like 16 organizations, if I remember

correctly. I have had contact with some of the organizations within my municipality and my riding of Nepean and I would like to know if the member has had any contact with the heritage language groups in his riding, how they are coping with it, and do they see their problems as being eliminated at this point in time?

Mr. Harb: Mr. Speaker, I can see the clock is getting closer to two o'clock and I want to make sure that in one and a half minutes, at the very most, that I address the concerns of my colleague.

Yes, we have been working with the organizations here. My colleague for Ottawa West, as well as my colleagues for Ottawa South and Nepean, as well from Ottawa Carleton and Ottawa—Vanier, have all been in touch with the school boards and with the heritage schools, and it is a major concern.

It is my hope, on a very positive note, that the minister of multiculturalism will take note of this as he goes through *Hansard*. They have an excellent opportunity here to make some good announcements and reinstate the $4.1 million cut from the budget in order to allow those schools to deliver the goods and services they are providing to children in the national capital region as well as children across our country.

Once again I thank the hon. member for the good question.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being awfully close to two o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Private Members' Business

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

COPYRIGHT ACT

MEASURE TO AMEND

Ms. Barbara Greene (Don Valley North) moved that Bill C-316, an act to amend the Copyright Act (fair use), be read the second time and referred to a legislative committee.

She said: Mr. Speaker, I am very pleased to have the opportunity to debate my Private Members' Bill C-316 to amend the Copyright Act. I would like to thank those people who have collaborated with me on it; in particular, Pierre Yves Boucher, the executive director and legal counsel of the Association of Colleges and Universities, and Lorraine Flaherty of the Canadian School Trustees Association.

I would also like to express my gratitude to the staff of the Library of Parliament, Monique Hebert and Diane MacMurray for their invaluable advice and assistance in the drafting of this bill.

To date, the bill is supported by the Association of Colleges and Universities of Canada, the Canadian School Trustees Association, The Association for Media Literacy, the Canadian Music Publishers Association, CREPUC, representing university libraries in Quebec, many members of Parliament, numerous school and library boards and various private sector businesses which see this as a reasonable solution to the problems created by the existing legislation.

I would like to note that many of these problems were there before the amendments that occurred to the act were undertaken by this government. However, the increasing militancy of creators and the attention that has been focused on this issue have created a realization, particularly in the education and library fields, that much of what we in our society do with works created by others is illegal.

Teachers across Canada are very much aware of this and their potential liability. In my part of the country, metropolitan Toronto, a teacher in Scarborough had to pay an out of court settlement of $2,000 after a CBC

employee took the teacher to court for playing a tape of material taken off the television in the classroom.

I am informed that recently a school in Etobicoke had tapes seized and a heavy fine was required to be paid.

School boards and libraries have considered this issue and have sent out directives to their staff. Some boards have even removed the record buttons on VCRs. This means that teachers must limit themselves legally and, if they are very careful, to strict textbook teaching and use of materials that their board has purchased. Otherwise, they could be liable for action such as the two I have referred to.

This is almost impossible for people teaching today. It makes for a very boring and irrelevant classroom. One of the things teachers are taught to do is to try to relate the principles learned in the classroom to the materials in the real world that students are familiar with.

The legislation passed by this House in Phase 1 of the copyright revision modified the law to give creators secure and unequivocal control over their works and thus ensure them compensation. I think that was an important and a very necessary step that has assisted creators, in particular some of our more recent creators in the computer and programming industry and the music industry in ensuring the protection of their property.

Educators, librarians and others—I would say the vast majority of Canadians—recognize the rights of creators. Indeed, they are strong supporters of Canadian creators. No one that I have met wants to deny creators compensation or the right to earn a living from their work, or indeed control over the public presentation of their works. Many educators are also creators. However, there is a serious lack of balance in this legislation and some very serious access problems which the bill we have before us today attempts to address.

The minister and the previous minister of communications promised to bring in certain exemptions for education and libraries, and consultation has taken place with certain representatives from those groups. A number of exemptions from the legislation have been drafted.

• (1400)

My bill does not address these exemptions and simply assumes the minister will bring these in, in due course, although we have been advised that these are imminent for several years now. Some of the recommendations that are in these proposed exemptions are as follows. For example, it will permit the manual copying of work. Writing a poem on a blackboard is technically illegal. The exemptions the minister will bring in will also permit teachers and students to copy copyright works in examination questions and answers. Obviously much of this is going on now. It will permit the playing of a radio or television set in the course of teaching and research. It will permit live performances by teachers or students in the course of teaching and research.

I am sure almost everyone here who attended school took part in a classroom play at one point or another. Did you realize that this was illegal?

It will also permit the playing of a record or an audio tape in a classroom and the off air taping of news and public affairs programs.

I think those are essential, and I think we all recognize that certainly they are going on right now in the classrooms of this nation.

The bill before us addresses all those works that are not in the repertoire of a collective or the lists in a society or association as referred to in the act that has the power to license and permit the use of works. It addresses everything that a collective does not have power over.

Seventy-eight per cent of the works used in Canada are not from Canadian sources. There is a vast amount of audio, visual and print material available which is not controlled by collectives and unlikely to be.

For example, many professionals such as lawyers do not mind people copying their work. We as politicians very seldom mind people copying our letters and distributing them, so we will certainly not be joining collectives. Fair use would apply in all those situations, as well as for foreign materials, where creators would not feel that the market was not large enough or were not desirous of obtaining remuneration. If they did, they would join the collective.

What this bill will do is clarify the rules for teachers, librarians and other users including ourselves, businesses and people in our society who are users of works created by others.

Works will be available for use through a collective which can license institutional users and grant permission for use on an equitable and fair basis, or it will be subject to the fair use provisions outlined in this bill.

These fair use provisions are taken directly from American legislation. Essentially what they do is allow reproduction and use of material, provided there is no personal profit and it is used for teaching, review, legislative or judicial proceedings, research, criticism, comment or newspaper summary.

It also provides for a defence of fair use in an action for infringement of copyright and requires destruction of broadcast materials that are reproduced within 120 days from the day the copy is made.

As I stated before, 78 per cent of works used in Canada are not Canadian. Most of these materials come from the United States. Implementation of this bill would mean that the same rules as apply in the United States would cover most works, unless the creators have established or joined a collective or licensing body registered in Canada and made their works available and the terms and conditions of use known.

I think this is very reasonable, since Canadian teachers have been successful in obtaining permission to use American material simply by writing and asking American television networks, magazines and so on whether they could have permission to use their materials in accordance with the fair use provisions.

The impact of this bill on education and librarians will be very positive in clarifying the issue. It is also most important that provincial ministries negotiate agreements with the collectives that have been established as soon as possible, so that works that are listed in the repertoire of collectives are available to educators and librarians on a fair basis. This will allow those creators who wish to receive remuneration for their works to receive it and will allow people to use these works.

The Minister of Communications should also bring forward the exemptions to the copyright legislation that have been agreed to by the consultative committees on educational and library uses. These are important components of a total package on copyright that our educational and library system can live with.

This bill will provide a great deal of assistance to individuals, governments and private companies that must communicate. Under the existing legislation users are infringing copyright, with the exception of fair dealing, unless they have received the permission of the copyright owner of any work except for the purposes of private study, research, criticism, review or newspaper summary. That has been interpreted very narrowly by the courts as being individual private study. It does not permit the making of multiple copies for classroom use, or for sharing with others, or public performance, or display of work.

We in Parliament are constantly violating copyright legislation. Those of us who stand in this House and read from newspapers or magazines are publicly performing works and violating the law technically. Those of us who copy news items in our householders and circulate them without obtaining prior permission are violating the legislation. Of course *Quorum* is technically illegal, as are other news clipping services unless they have obtained permission. If we copy articles from *Hansard* for public circulation, even of our own speeches, this is technically illegal.

Some members have never run into this issue and may think that there is no real problem because nobody in their right mind would require permission or would object. On the contrary, *The Toronto Star* has a policy that refuses permission to politicians to use pictures and news items they own. I ran into this last year. I could not use a picture of myself, my daughter, and the Yamagami family from my riding who had a disabled child and I helped with an immigration issue. *The Toronto Star* owns that picture.

This of course would still occur, but they would be registered with a collective and we would at least know what the rules are. As far as those newspapers that do not mind are concerned such as *The Ottawa Citizen* or have their own rules that allow members to use their material, at least we would know what the name of the game was and we would be able to use the material, so there would be clarity.

If you, Mr. Speaker, have a public meeting or publicly display a picture or a diagram or any work created by someone else, you may be violating the law unless you

have the permission of the creator. Under my bill, if the work is not in the repertoire of a collective where you can find out what the rules are, the concept of fair use will apply unless you want to use it for commercial purposes. For commercial purposes you would have to obtain copyright permission from the owner.

As I have mentioned, educators are in a particularly difficult position. Multiple copying for classroom use is currently illegal, unless there is an agreement with a collective. However, few provinces have these agreements. Quebec is the only province in which the use of collectives has been developed enough for boards of education to be able to go and obtain an agreement with a collective. The rest of the provinces are in a state of negotiation. It is a very difficult situation now to obtain permission.

I worked on a teaching project with a number of other teachers as part of a course. We decided to try to find out if one could get permission. Our project was a project in which we were studying police drama. We wanted to look in particular at this one unit on the program *Night Heat*, so I tried to get permission to tape *Night Heat* and use it in the classroom.

I was passed around to eight different people and each one of them said: "Go ahead and do it. We don't care". I said: "I wanted to do it legally. Our board says that we have to obtain copyright permission. This is the same throughout Ontario. We are working on this teaching unit. I need to obtain it legally". I went through the vice-presidents of CTV. I went through everybody. Finally I found the company that represented doctors and lawyers across Canada which owned the rights to *Night Heat*. I was able to send a letter to it stating when I was going to tape it, when it would be destroyed and so on. The company agreed, and there was no charge. When the day came when I wanted to tape it and I had made the arrangements, it was bumped for a hockey game. After all that effort, I could not use it.

• (1410)

Our bill will set out clearly for teachers and others what fair use is, and put those conditions that they want, namely, no commercial use and destruction after 120 days, in the legislation. It would be far easier for everybody.

The universities encounter many similar problems. In order to get around this law, students are having to line up at copy machines in libraries. I am familiar with a number of graduate students. Teachers will say the periodical article is in the library students will have to make their own copies. Students are spending as much as $20 a week getting these copies. They are lining up. They can only have the periodical article signed out for 20 minutes, so they are at machines in line-ups copying the article. It is completely counterproductive.

Librarians usually pay $8,000, and some even $25,000, to get periodicals. The idea is that they are used by people in the field. The people who submit to them very seldom get any kind of large remuneration. It is an honour to be published in these magazines and the whole idea is that they should be used. Because of the problems with the copyright legislation, university librarians feel they cannot do it. If the periodical is registered with the collective with the terms of use there, it will be clear. If not, it will be fair use.

Similarly, businesses run into this. One thinks of things that are put out by the Royal Bank, for example, such as a newsletter. It does not mind it being copied and circulated. It is a great honour that its material is circulated and respected. This is another example of someone who does not mind. There are many examples.

What is in this bill for creators? It continues to give creators clear and unequivocal rights to their works, subject only to the exemptions that the minister brings forward. It provides a strong incentive for creators to join collectives if they want remuneration for any of those non-commercial uses permissible under the fair use provisions. It will make the collectives stronger and more viable.

In conclusion, I think this bill will provide for the establishment of a reasonable and balanced approach to the issue of copyright legislation in Canada. I greatly appreciate the support of the House in referring it to the communications committee for further consideration.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for St. Boniface, then the hon. member for Bourassa, the hon. member for Prince George—

Bulkley Valley, and then the hon. member for Lethbridge in that order.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to be able to address this particular bill in the House today. I want to commend my colleague for the work that she has done.

She has also rendered another valuable service in the sense that she is attempting to plug a loophole which is causing a great deal of anger, frustration, and anxiety among a number of people. These include educators from all levels and others as well.

Some will recall that I made a statement pursuant to S. O. 31 this week in recognition of National Students Day and the Canadian Federation of Students Strategy Paper, entitled, *Strategy For Change*. I indicated that the government had no vision, no plan, no focus, and no strategy. It was in total disarray in terms of education. The points that are being made today, in fact, corroborate my statement.

I want to suggest that it is not only in disarray and confusion with respect to education. It is clear that this is also the case in the area of economic development. The Minister of Finance cannot admit that there is a recession. Some people are talking about depression. We know that youth unemployment, as mentioned in the House today, is sky-rocketing. If I remember correctly, it is in excess of 13 per cent. We know that the number of bankruptcies in the country is sky-rocketing and going out of sight. Again, it is total disarray. There is no plan and no focus. There is simply no leadership.

I could make the same points with respect to the social development area. One will recall the attempt to de-index pensions and the government came back with a clawback. This is a good example of no plan and no vision. Another example is the unemployment insurance bill. Again, we are going to try to train people on the backs of the unemployed.

Let us take the cultural area. We spoke today about the establishment of the heritage language institute. I think many people recognize that native languages are in fact dying. The majority will not survive unless we can respond to this need. The government has been unable to state unequivocally whether or not native languages fall within the institute.

We spoke as well about the importance of preserving heritage languages and we gave economic, social and cultural reasons for doing so. Again, this is a good example of disarray. What people do not understand is when those groups are not considered as they ought to be, when their languages and cultures are not readily accepted, we find people feel marginalized as if they do not contribute fully to the Canadian way of life.

I believe the government has not understood that education is a cornerstone of economic, social and cultural development policies, that it does not understand as well as it should that in order to be competitive we must have a well-educated citizenry, in order to be leaders and not followers, we must have a comprehensive plan with respect to education.

Some of you will recall that I mentioned the lack of support that universities and colleges have received.

[*Translation*]

I have often commented on cuts in transfer payments. If we look at the period from 1986 to 1995, we find that the government will transfer $10 billion less to the provinces. For instance, there is less funding today for training and re-training, although we were promised these programs would be improved. If we look at student assistance, we see there has been no change since 1984 and that students are facing tremendous problems. Their debts are increasing at an alarming rate, and tuition fees as well, and there is also the 3 per cent administration fee.

Illiteracy: between five and seven million Canadian men and women need help, and what do we see? An investment of $4.50 per student per year. In research and development, we see the same situation. The government promised to double it's investment. It was 1.40 in 1984, and now it is less than that.

Mrs. Gibeau: Mr. Speaker—

The Acting Speaker (Mr. Paproski): Does the hon. member for Bourassa wish to raise a point of order?

Mrs. Gibeau: I think the hon. member's speech is very interesting, except that I don't see any connection with the debate on the bill before the House today.

Mr. Charest: Mr. Speaker—

The Acting Speaker (Mr. Paproski): The hon. member for Sherbrooke.

Mr. Charest: Mr. Speaker, on the same point of order. With reference to the remarks just made by the hon. member for Bourassa, on the question of relevance, I

would like to draw the Chair's attention to the fact that not only does the hon. member's speech seem to be lacking relevance to this very important subject, but furthermore, Mr. Speaker, there also seems to be a lack of factual information. To give you an example of relevance, government spending on postsecondary education in Canada has increased at an average rate of 5.1 per cent per annum under this government, which is higher than the rate of inflation, and the rate of growth—

[*English*]

The Acting Speaker (Mr. Paproski): That is debate. I am sure the hon. member will become relevant.

Mr. Duhamel: It is relevant and I am sorry that my colleagues have not picked up the point. I thought it was very clear. I said there was total disarray and confusion. There are big gaps in the initiatives not being undertaken by government. That is the point.

When we look at this copyright bill, Bill C-316, we recognize that the member has tried to fill another loophole. I pointed out that there are loopholes all over, and I can mention them again in case my colleagues are not sure that it is relevant or pertinent. I object strenuously to the comments that have been made. If they had listened more attentively, they would have heard the relevance.

We know Bill C-316 has, in fact, a number of flaws. This attempts to fill those loopholes, the big gap that exists out there. We recognize that the creator must be rewarded. But we also recognize that the teacher must be able to teach. We recognize that there are others with legitimate and valuable needs out there and this bill will go a long way toward correcting them.

I wondered, as I looked at the bill, whether or not the purpose, nature and the value of work contained within the bill is sufficiently and precisely defined. That is a question I think we can discuss at some other time. I think it should be more specific. It is not specific enough at this particular point in time.

The whole notion of what its teaching may have to be looked at as well. What is a teacher? Are we talking about teachers in public institutions or are we talking about teachers who might in fact be teaching in a non-public institution, who might be teaching, for instance, a heritage language group without the specific qualifications that are normally accepted within a province? That occurs on occasion. That is another issue I think we should look at but perhaps it has been covered. I am willing to listen to what the hon. member has to say.

• (1420)

I want to point out that my hon. colleague from Mount Royal had proposed a solution when Bill C-60 came up. It is unfortunate that it was not taken up at that time because we might not be having this discussion today if it had been.

As I indicated initially, I am dismayed, as are a number of other colleagues, by the government confusion in education, and as I pointed out, the whole of education. This is a good example. I am concerned as well by the delays in filling this particular loophole.

[*Translation*]

However, I can assure you we are prepared to support this bill, and I hope we will now be able to go ahead with it.

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I welcome this opportunity to respond to the speech by the hon. member for St. Boniface.

The present copyright legislation in this country consists of an act drafted in 1921, proclaimed in 1924, and subject to interpretation by the courts. Until quite recently, the legislation had never undergone substantial review. When I hear remarks about confusion, lack of vision and delays, I fully agree with the hon. member since the Liberal Party was in power at the time and, as usual, lacked vision, caused all kinds of delays, and created this confusion. This was typical of the Liberal government throughout its mandate, I may add!

During all those years of Liberal government, we saw, I might say, the birth of radio, television, photocopy machines, tape recorders, videocassette recorders, computers, satellites and various devices for information storage and retrieval. All these technologies have contributed to increasing the use of works protected by copyright.

These new technologies have to a very large extent been instrumental in creating works protected by copy-

right. They not only helped produce these works but also provided new ways of using them, and as a result, opened new markets, thus increasing opportunities for pecuniary remuneration in exchange for such use.

However, these technologies also made it possible to make repeated use of protected works without obtaining permission from the copyright owner. For instance, we can easily reproduce a TV program at home by using a videocassette recorder, and it is practically impossible for copyright owners to control how the program is used. Consequently, new technologies have created a host of legal problems, some of which require solution through legislation. That is why the 1924 Copyright Act was partially amended in 1988 by Bill C-60 and by the Canada-United States Free Trade Agreement Implementation Act.

In 1988, nine specific amendments were made to the Copyright Act. The maximum fine for criminal offences was raised from two hundred dollars to one million dollars; specific protection was extended to computer programs and moral rights were reinforced to protect the reputation of the author of a work; a public exhibition right for artistic work was created; the link between copyright and drafting was clarified; choreographic work was protected, whether or not it had a story line; and finally, the obligation to obtain a licence for the production of sound recordings was abolished and the application of royalties negotiated on the market was allowed.

Furthermore, Bill C-60 encouraged the creation of corporations for the collective administration of copyright or associations of copyright owners, and provided for regulations in this respect. These licensing bodies, based on a concept that has worked satisfactorily in the music industry for over 50 years, will now be able to operate in all copyright sectors and negotiate the granting of licences with users of works protected by copyright. In exchange for payment of reasonable royalties, they will give users quick and easy access to works protected by copyright. If the licensing body and the user cannot agree on what constitutes a fair royalty, either party may apply to the Copyright Board to fix the amount. Amendments to the Copyright Act have also expanded the jurisdiction of the Copyright Board.

As a result of the amendments to the Copyright Act under terms of the Canada-United States Free Trade Implementation Act, cable operators are required to compensate the holders of copyrights for the re-broadcasting of distant radio and television signals, both Canadian and American.

The amendments which I have just mentioned represent the first step in an effort to update a 66 year old legislation. The Government is determined to continue reviewing the copyright legislation and to implement some of the most urgent amendments which have been favourably and even enthusiastically received by both creators and users.

As it progresses, however, this review brings to light new aspects which, over time, become increasingly relevant and significant, and call for our immediate attention. They are sometimes basic issues or matters of an administrative or technical nature.

A number of these amendments are necessary to meet international requirements concerning copyright or to place Canada on the same footing as its main trading partners. The purposes of other amendments are to update the Copyright Act and to rid it of such terms as "mechanical reproduction" and "perforated rolls". Bill C-316 which the Hon. Member for Don Valley-North introduced and which we are dealing with offers a good example of copyright related issues.

I share the concern of the Hon. Member for Don Valley-North and appreciate her efforts to find a solution to the sensitive problem of the use by teaching establishments of works protected by copyright legislation.

Bill C-316 suggests one way of dealing with exceptions when implementing the Copyright Act, particularly when the permission of the copyright's owner and the payment of royalties are no longer required because a given use is deemed to be fair, pursuant to the standards set in the legislation.

Generally speaking, Bill C-316 is aimed at giving various users access to copyrighted works when such access is not possible under a general licence, that is when the licence giving access to a wide array of copyrighted works cannot be secured. This is why the bill advocates setting up group management companies which authors should join. Still a number of problems related to the bill and external factors make it necessary to take a closer look at the bill before passing judgment on it.

Bill C-316 now provides exceptions in the case of certain users, particularly teachers and researchers. It advocates a radical change concerning both form and

substance with respect to the fair use concept embodied in the Copyright Act. To some extent the bill goes beyond the discussions which creators and users such as librarians and teachers have had in recent years. The bill may not reflect these discussions because they are part and parcel of the review process and must be taken into consideration in any Copyright Act amendment.

Reviewing copyright provisions has always been a complex and controversial undertaking, if only because of the balance which the Copyright Act must restore between creators and users of copyrighted works. These exceptions are particularly delicate because they can seriously upset the balance if they go too far or not far enough. One of the best ways to be mindful of the delicate nature of the amendments is to see to it that both creator and user are involved in the policy drafting process. That is precisely what the government has done.

In 1987 and 1988 the Department of Communications set up two legislative committees to go over the exceptions which might be included in the copyright legislation. One dealt with exceptions concerning libraries, the other covered exceptions related to the teaching profession. When the two committees began their hearings, creators and users were sitting around the same table but they had strongly diverging views. Users wanted wide-ranging exceptions, first to gain free access to works required for teaching and research, second to be in direct contact with library patrons. Sure enough, creators would have none of this because they felt that these exceptions would encroach upon the rights they had been enjoying all along. I believe that after lengthy and sometines very vociferous debates the parties finally reached common grounds of sorts.

• (1430)

The advisory committees agreed that, instead of widening the scope of the fair use principle, the new legislative provisions would include special exemptions for libraries and schools. Therefore schools and libraries would no longer face the complex problem of having to decide whether a given activity would be deemed to be fair use by a court.

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. member but her time has expired. The hon. member for Prince George—Bulkley Valley.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to have an opportunity to speak in this debate today on Bill C-316, put forward by the member for Don Valley North, and to be presenting some of the views from my colleague, the member for Okanagan—Shuswap, who could not be with us today. He is attending to affairs in his riding, as you know, Mr. Speaker.

We do have some concerns and comments obviously about this legislation. I appreciated some of the earlier comments that a speaker made regarding how our contemporary world with its new and modern technology has placed great demands on government regulators to try and catch up in many ways with technology and laws relating to many very important issues. For instance, there is the use of VCR's. I know some constituents who have recorded a number of your memorable rulings, Mr. Speaker, and it is something that you would be concerned about in terms of copyright legislation.

There are the simple things which take so much for granted now, such as the photocopier or the fax machine. All of them may make us technically commit illegal activities in our offices. Many people, of course, would not be familiar with these machines.

In any case, Bill C-316 certainly addresses some serious matters that fall between the rights of creators, artists, and what have you, and the rights of users. That is chiefly, and most importantly, the need to balance these rights for the public good.

At this point we are opposing this legislation as it stands and I will make three quick points in review of our position and then make recommendation for your guidance.

The bill is flawed in its intent in the issues it seeks to address and by lack of a precise definition of certain terms. Clarity of thought and purpose is very important here. Of course, we have to say how important that is in all government legislation.

We say further that the problem faced by educators would be best served by a clause covering the sponta-

neous use of material, namely, that as part of negotiated agreements, educators would be able to use articles from newspapers and magazines, combining fair use with just remuneration, something my party has been committed to for some time.

My third point is a matter of time. Overhauling copyright legislation is tough business to be sure, requiring complex and detailed legislation, but the government has made a tough situation tougher for all concerned by not proceeding in a timely way with Phase II of the copyright legislation.

The minister has committed himself to bringing in Phase II twice in 1989. In May, 1988, his predecessor promised Phase II within a few months. It has now been five years since an all-party unanimous committee of the House requested a comprehensive overhaul of copyright laws. It is certainly not the only legislation that probably needs some overhauling.

The minister certainly enjoys his portfolio, but the job confers responsibilities. Full and comprehensive copyright reform is one of them. We know the time we had to wait for a museums policy from the minister. It is an indication that whoever is in charge of the minister's schedule should try to put copyright legislation on Monday's page so that we can give some attention to it.

Our recommendation is this: Because the bill concerns matters of importance, the bill needs more debate. The issues it touches on are important and are certainly worthy of further examination. Because we want the government to get on with the full and comprehensive copyright reform that the House and many others have recommended, we are certainly in full support of referring the matter of the legislation to a legislative committee in the interest of expediting full and comprehensive copyright reform in Canada. Let us hope that this legislation is a step in that direction.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am privileged to rise and say a few words with respect to this Private Member's Bill, Bill C-316. For me, it points out once again the critical importance of the Private Members' Hour because it is the hour where private members, after often long hours and diligent work, are able to being an issue to the attention of the whole Parliament.

As you know, Mr. Speaker, for all the years that you have sat here and the somewhat lesser years I have sat here, that was never ever done. Private Members' Bills were talked out by the hundreds. At the end of the hour, they were simply lost. When we became the government in 1984, we pushed hard and changed those Standing Orders. Now, a certain number of bills have to come to a vote.

This bill did not get on that list where they have to come to a vote, but the excellent work done by the member for Don Valley North has got us to the point where, by consensus, we agree in the House that this matter is so important that it should go on to the standing committee for further study and review.

I want to commend the member for Don Valley North because Parliament can be a very frustrating place, even more frustrating for members on the back-bench on the government side. So much of what we do in the caucus and in the committees never gets reflected in public. Whereas opposition members—and we were the same when we were in opposition—can stand up and take positions and promote them forcefully in public. On the government side we have to do it quietly behind the scenes in the committees. It is always frustrating for government back-benchers and I am sure the member for Don Valley North is very proud, and deservedly proud, of the work she has done on this bill.

There are many people that back this bill in its entirety and it reflects a broad view in our society. It is certainly worthy of detailed study. As previous members have spoken, it is a question of balancing the interests of creators with the interests of people who want to us it, especially for educational purposes. There is no doubt that none of us would ever recommend that we go out and take food from farmers without adequate compensation, or a car from a car manufacturing plant. It is the same with creators of works, especially software and other valuable educational works.

This bill will be an occasion for the standing committee to take a look at it in great detail, bring witnesses in, and further concentrate our minds, as legislators, on this topic. Therefore, Mr. Speaker, speaking for the government, I am pleased to be able to ask this House for unanimous consent that I might put the following motion.

I move:

That Bill C-316 be withdrawn and that the subject matter be referred to the Standing Committee on Communications and Culture.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): So agreed and ordered. Accordingly the subject matter of the bill stands referred to the Standing Committee on Communications and Culture.

Order discharged and bill withdrawn.

The Acting Speaker (Mr. Paproski): Shall I call it three o'clock?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being three o'clock, this House stands adjourned until Monday next at 1 p.m., pursuant to Standing Order 24(1).

The House adjourned at 2.39 p.m.

HOUSE OF COMMONS

Monday October 22, 1990

The House met at 1 p.m.

Prayers

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

CONSTITUTION

MOTION TO AMEND CONSTITUTION ACT, 1867

Mr. Alex Kindy (Calgary Northeast) moved:

That, whereas the Constitution Act, 1867 provides in section 17 that there shall be one Parliament for Canada, consisting of the Queen, an Upper House styled the Senate and the House of Commons;

And whereas it is expedient that the electors of Canada be more directly involved in the legislative process;

And whereas an initiative and referendum process is an appropriate mechanism for the determination of questions of national interest;

And whereas the Parliament of Canada should be bound to enact any measures necessary to implement decisions of the electors of Canada on questions put to them by referendum;

Now, therefore, the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by His Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE

CONSTITUTION ACT, 1990

1. The Constitution Act, 1867 is amended by inserting, immediately after section 19 thereof, the following section:

"20. (1) A referendum on any matter coming within the classes of subjects enumerated in section 91 may be initiated by proclamation of the Government of Canada or by petition of not less than ten per cent of the electors of Canada addressed to the House of Commons.

(2) A decision of the electors of Canada in a referendum held pursuant to this section is binding on the Government and the Paliament of Canada and shall, within a reasonable time after the holding of the referendum, be implemented by them in a manner consistent with their powers and authority.

(3) The Government of Canada shall implement any legislation enacted by the Parliament of Canada pursuant to subsection (2) within a reasonable time after such enactment.

(4) No referendum shall be held on a question that is substantially the same as a question on which a referendum has been held within the previous four years.

(5) The Parliament of Canada shall, before the expiration of the first parliament following the coming into force of this section, enact a measure consistent with it to provide a reasonable procedure for the orderly administration of referendums to be held pursuant to this section."

2. This amendment may be cited as the Constitution Act, 1990 (referendum).

He said: Mr. Speaker, first of all, I would like to thank the hon. member for Saint-Denis for having graciously seconded my motion, despite the fact he finds it controversial. He may not agree with everything it contains, but I am grateful to him for seconding it.

[*English*]

My motion before the House is to consider amendments to the Constitution that would put in place a process of referendums. This process would create a direct democracy. I believe that what we have today in Canada is a parliamentary system that is in need of reform. In order for that reform to take place all leaders and members of this House must show a will for reform.

However, I am not convinced that the leadership or the will is there. Leadership is courage. Leadership is the ability to take risks and leadership is trust.

I use as an example the Quebec referendum of May 20, 1980. I believe that Mr. René Levesque showed courage, took the risk, let the people decide and lived by the outcome. Equally, leadership needs the support of the people to function effectively. That means the electorate must not abdicate its responsibility, look for short-term solutions, or hope for messiahs, and they have not.

• (1310)

I believe that, as evidenced in the GST battle and the Meech Lake Accord debate, Canadians did have a vision, accepted their responsibility, but had no effective means to express it. One of the problems is our electoral process.

We have a system which, in effect, places our leaders for a period of five years in a position that is quasi dictatorial. During that time, great irreparable damage can be done to the country. Examples of this is uncontrolled deficit spending and for the west, the national energy policy. So from time to time, between elections, referendums are essential on major issues. By the referendum process I mean that either the government, Parliament or the people, may initiate that process. My motion today puts in place criteria that would allow such a process to take place.

I do not put forward the concept that referendums are the only reform necessary for a more democratic country. In a Parliament that abides by 18th century tradition like caucus secrecy, bizarre rules of the House and men with whips, there is lack of input by individual members and derailment of all intelligent and logical ideas.

To make my point, I would like to quote from the McGrath report of 1985 at page 1.

> As a new Member of Parliament, I do not know the mechanics of this institution as well as some of my colleagues. I am absolutely amazed at how little input private members have into the formulation of legislation, policies and/or regulations. It appears to me that most of the time we are told what the minister will be announcing in 48 hours and we do not have access, any means to study or contribute or change the finished product. But members must go back to their constituents to explain and support the decision of the government. Sometimes this is very difficult.

This was said by Barbara Sparrow, member of Parliament for Calgary South at that time.

I wonder how she can defend the GST. This phenomenon occurs because a bill is drafted by the department responsible, is put before Cabinet and considered in confidence by cabinet. For that reason, members cannot see a bill or a budget before it reaches first reading in the House. At that time, major amendments are ruled out of order because they could contradict the principle of the bill. The result of this is that amendments are virtually all cosmetic.

Another point to be made is that most legislation passed by the House is enabling legislation, which allows the department to draft regulations by the thousands. It has become a second level of law which has not been debated by duly elected members of the House.

When I was sitting on the committee which reviews those regulations, we found regulations which have been in place for 10 years and there was no enabling legislation permitting them and still the ministry refused to withdraw them. Not only do we have bills that have not been initiated by members of Parliament, but by officials of different ministries. We also have budgets which are not being formulated by members of Parliament of the ruling party.

I would like to quote the right hon. Prime Minister, in his leadership book, *Where I Stand*, at page 49: The Prime Minister stated:

> At a time when governments are supposedly committed to greater openness and accountability, the budget-making system remains cloaked in secrecy. At a time when virtually all other policy decisions are subject to an elaborate system of checks and balances within government and Parliament, the budget remains the exclusive prerogative of a handful of officials within the Department of Finance and the Privy Council Office."

The Prime Minister further states:

> But the present budget-making process itself contributes to bad decision-making and therefore to bad government. Clearly, it is time for a serious debate in Canada on how we can make the budget process more responsive and more effective to the benefit of all Canadians.

I do believe that the Prime Minister's honourable intentions which resulted in the McGrath report of June 1985, has been derailed. Why? The simple answer is that we function in a parliamentary system of the 18th century which is in need of reform. That system includes not only the House of Commons, but our Senate as well. I remind members of the House of the necessity to have regional input in Parliament with a Triple E Senate, but none of those reforms, if taken singularly, would be a total answer to our dilemma. This, then, brings me back to my argument in support of a referendum process.

Do we need a process of referendum in Canada? I ask that question, and I would argue, yes, because there is no referendum mechanism at the present time to poll people on very important issues, such as changes to the federal Constitution and taxation.

I would just like to mention a few recent examples where polls were not taken: free trade and the goods and services tax. Those who argue the opposite point will say that we already have a democratically elected government in Canada, and, therefore, the consultation is taking place each time that a federal election is called.

Recently, the Right Hon. Prime Minister, in speaking about the goods and services tax, said: "If people don't like what we are doing, they can always turf us out at the next federal election."

I would like to remind the Prime Minister and all those who oppose the polling of people that in the last election the main issue before the electorate was nothing else but the question of free trade. There was no debate about constitutional changes or taxation such as, for example, the goods and services tax.

An hon. member: Nonsense.

Mr. Kindy: An hon. member says that it is nonsense. I was going door to door and I had to defend free trade, and I did it, because I believed in it. But there was no question about the goods and services tax. I was asked whether our social programs would remain intact. I had to respond, yes, our government is faithful, it is going to keep our social programs. Then there was the change in that Unemployment Insurance Act. I am really ashamed of that.

The last election was a one-issue campaign. It was free trade and nothing else.

An hon. member: Right on.

Mr. Kindy: And what were the democratic results of that election? The Conservative Party that campaigned so hard for the free trade agreement got approximately 43 per cent of the popular vote. Those who opposed the free trade agreement got approximately 52 per cent of the vote.

It could be argued that a majority of the people are opposed to the free trade agreement and therefore it should not be implemented, but because of the way our electoral system is structured, the Conservative Party elected a majority of members to the House of Commons. Even so, it got only 43 per cent of the vote.

• (1320)

We should ask if the Conservative Party got a mandate from the people to implement the free trade agreement. According to our Canada Elections Act, the answer is yes. If we believe in polling the people, the answer would be simply, no, it did not get it. But because the Conservative Party elected the highest number of members of the House of Commons, it was able to pass the free trade agreement. Therefore, I would argue that our electoral system is flawed.

In Canada we need a system of checks and balances. This can be provided by the direct poll of people, a referendum process.

I would like to ask hon. members, if a question was put to the people today on the goods and services, tax whether or not the people would favour it. The result would be no. The answer would be a resounding no.

Where is the mandate of the government elected by only 43 per cent of the people and one that campaigned on free trade and not on the goods and services tax? It is now trying to implement the goods and services tax. As I said before, there is no mandate.

Why do some members oppose a referendum process, the polling of people? They would say it is expensive to consult the people, that people are not well informed, that they are not smart enough to make intelligent decisions, and that the issue would be a divisive one. I believe all those arguments are self-serving and do not reflect the real issue, the polling of people.

I personally believe in the intelligence of people. They have only one vested interest, and that is the good of the country. The people have that vested interest. Politicians are different. They have all sorts of vested interests.

To give a few examples, I will quote from a book entitled *The Referendum*, by John St. Loe Strachey. On page 53, he states:

> In speaking of the referendum in America the writer in the *British Weekly* said:
>
> Members of the Legislatures, they say, may be"lobbied, wheedled and bull-dozed," but the citizens are too numerous to be threatened or be fooled.

So, the argument that people should not be consulted does not hold water. If we look historically, democracies such as Switzerland and the United States of America have referendums. In the United States there can be no constitutional change at the state or federal level with

out the people being consulted. The same applies in Switzerland where there is a binding referendum at all levels of government and people are consulted regularly.

Switzerland, like Canada, has many languages and cultures and the referendum process has united that country. I would like to point out that Switzerland is a united country and has four languages. Therefore, the argument that we could not have a referendum process because of our two official languages and many cultures is inappropriate as well.

In conclusion, to make our country a better place in which to live we need a referendum process which can be initiated by the people, by Parliament, by the executive branch of the Crown, and which would be binding on the government of the day.

I hope at the end of the debate, but before the hour expires, members will show trust in the Canadian people and allow a vote on this motion to take place.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to participate in this debate.

This motion proposes a constitutional amendment that would allow for referenda to be initiated on any matter coming within the jurisdiction of the federal Parliament. Once a yes or no decision has been made in a referendum, the Government of Canada would then be forced to implement it. I have a number of problems with that and with the whole notion of referenda in general.

First, the reason I oppose this motion is that it implies that there is something fundamentally wrong with our system of government, that the parliamentary system we have does not work, and that this Chamber does not reflect the hopes and aspirations of Canadians. I have opposed suggestions like this thoughout my life.

As the Chamber knows, in the early seventies, a previous Prime Minister indicated his belief that the present system was not good enough for Canada. It spawned a whole cottage industry of suggested changes to the British North America Act.

One of the questions I raised in an academic setting, and which I would like to raise it here as well, is that surely the onus rests on those who indicate that there is something fundamentally wrong with our parliamentary system. The onus is on them to demonstrate why there is something wrong and what it is that they are proposing that is so much better.

The hon. member who just spoke talked about the systems in the United States and in Switzerland. I have heard it all before. People point to the European republics and to the experience south of the border. I always ask them the same thing: What is there about the Government of Italy, France, Switzerland or the United States that you believe works so well that our system has to be the one that is radically altered?

I have maintained that, yes, there are mistakes. This Chamber has made mistakes. But over the existence of the House of Commons these past almost 125 years, our record compares favourably with every other democratic government, or any government in the world for that matter. I suggest to them that the onus should be with them to show why this parliamentary system of ours does not work.

As well, I oppose this motion for what it says about the role of a member of Parliament. The hon. member just said that everybody talked about just the free trade agreement. I am not going to get into the strategy of the Liberal Party.

I said many times during the election: "I am prepared to talk about all issues. I am willing to say where I stand on all of them." If the Liberal Party said that the only thing it wanted to talk about was free trade, that is a decision that it made and that it will have to live with for the next two to three years. I believe there is a greater obligation for members of Parliament to say exactly where he or she stands on some very difficult issues.

In the 1984 election, the subject of abortion was not an issue, but I believed—and I think I share this with other members of Parliament—that on the most difficult moral question of the 20th century a member of Parliament or anyone who stands for public office has an obligation to say exactly where he or she stands.

When it comes to things like that, I do not think it is a question of the changes of public opinion. I had many people say to me: "I am sure you have taken polls in your riding. I am sure you have seen a Gallup poll. The majority of Canadians do not agree with you." I do not want to be in this position. I do not think members of Parliament should be in a position where they say: "I

have certain principles, but if they are out of fashion, I am certainly willing to change them."

I happen to believe that the free enterprise system is good. There are people in the Chamber who will say to me: "For heaven's sakes, your home province has embraced socialism. Maybe you should be a socialist." I say that time will tell whether I am correct on that or not, but I believe in the free enterprise system and I have an obligation to make that known to the constituents of my riding and let them make the decision. Once the decision has been made after I have fully informed people where I stand, then I have an obligation to act on it.

With respect to tax changes, let me say that the hon. member who proposed this motion was a part of the government. He knew as well as I and anyone who is interested in the subject of tax reform that it was a proposal of the Progressive Conservative Party in the election of 1988 to overhaul the tax system. On every public platform, we were all asked questions on this, and I did not shrink from answering with what I believed was the position of the Progressive Conservative Party, which is what we have implemented. To those people who say to me "You know, the GST is not popular. " I say, "Look, I will tell you why I support the present legislation. Because the manufacturers' sales tax is a bad tax. I am opposed to a tax system that encourages job creation in Rochester, encourages job creation in Chicago and not in Canada. That is why it has to be changed." Assuming that the MST is a bad tax, this is not a popular tax. I have to agree with people who say that. I do not like taxes. When I pay my municipal taxes, I am not too happy. When I pay any tax, I am not too happy. But it is one of the facts of life.

• (1330)

I heard a radio announcer ask people what they thought heaven was going to be like. When I get to heaven, I expect to see many similarities between Canada and heaven. One of the exceptions will be taxes. Taxes will not be there. They are a part of life here in Canada.

This government was elected not just to take popular decisions. We are here to take tough decisions. Mr. Speaker, you will remember in 1984 when this government was elected. In the newspapers the next day, they said: "If this was a mandate for anything, it was a mandate for the Mulroney Conservatives to make tough decisions." We saw where easy decisions led us. With the previous government we saw where easy decisions were leading this country inevitably, into bankruptcy. Those were the easy decisions. Our job was to make the tough decisions. I say to members of this House that we have a responsibility to be sensitive, we have a sense of responsibility to inform ourselves as to what our constituents think we should be doing and we have a responsibility to be honest. Ultimately, our responsibility, as Edmund Burke said, is to use our judgment in the implementation of public policy. This is what this government has done these past six years. I have been very proud to be a part of this government and to be a part of this great parliamentary system.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to take part in the debate on the motion introduced by the hon. member for Calgary–Northeast.

[*English*]

I can sympathize with the statements that the hon. member made concerning the advisability of proceeding with a referendum. I must say at the outset that I believe referenda are foreign to our system of parliamentary government. I choose not to support the motion in spite of the sympathy that I feel for his position.

It is important that we in the House realize the position that he has been placed in by reason of the disgraceful conduct of the government opposite which has the House to a position where it has to consider a motion such as this.

It is my view that we are debating such a motion because the level of competence of the government is so dreadful that people are looking for salvation outside of this House rather than looking for it here. They know the hard-hearted attitude of the government majority in this House. It is prepared to bulldoze the wishes of the Canadian people anywhere at anytime. It is prepared to bulldoze the opposition anywhere and anytime to have its way. Canadians are fed up to the teeth with it. They want this government out. They are willing to consider referenda.

That is why the hon. member for Calgary Northeast has been driven to propose this kind of motion to this House. He, at least, has seen the light. He has realized what dreadful government the Progressive Conservative Party has brought to Canada. He jumped ship and got out of that party before his own career was destroyed. Many hon. members opposite are going to find their careers come to a very short end come the next federal election.

What is it that the hon. member for Calgary Northeast is really saying in this motion? He is saying that Canadians are entitled to express their own views very directly on a number of key issues that this government has brought to the fore, and to which be believes most Canadians are opposed. I do share his views in that respect. Canadians are opposed to the goods and services tax. They are opposed to the cuts in unemployment insurance. They are opposed to the cuts in VIA Rail. They are opposed to the selling off of Crown corporations. They are opposed to the budget cutbacks. They are opposed to the clawback provisions that the government has introduced. A whole string of bad legislation has been introduced in this Parliament by this government.

The hon. member for Niagara Falls rants and raves about how on every platform he was on during the campaign he spoke about the goods and services tax. Well, did he speak about cuts to VIA Rail? No, he did not. Did he talk about unemployment insurance cutbacks? No, he did not. In fact, the Minister for International Trade said there would not be any changes in the program. Lo and behold, the changes came in within months of the government winning the election.

This government set out to mislead Canadians in the last campaign. It succeeded in misleading Canadians. They were duped into voting for this government in spite of a shocking string of policies that were hidden from view and which we exposed and said: "This kind of thing is going to happen. This government is going to do these things that they are denying today." We asked the questions. We got the answers, and then the answers all changed after the election.

Canadians were misled in 1988. They are now demanding referenda on various issues that this government has brought before this House because they did not know what this government was going to do when the election was held.

In other words, the referendum is an alternative. They are saying: "Look, we are so angry". Canadians are so annoyed at having not been able to choose their representatives on the basis of the facts that they are saying: "We now should have a second crack at this through a referendum." We should be able to have a particular bill brought to us for consideration so we can look at the bill and pass judgment on it and say is this really what we want in this country. There are too many bills that this government has brought in that Canadians do not want, that they are fed up with, and they do not want them passed into law.

I am a staunch supporter of this institution and of our parliamentary government. I firmly believe that, as the hon. member for Niagara Falls has said, over the years this House generally has been representative of the wishes of the Canadian people. Over the years, in a general way, this House has served the Canadian public well and the method of decision-making that we have where the government proposes and the House disposes generally has worked well.

There are problems. I do not say it is perfect. I would be the last person to maintain that but, to use the old quotation, I believe attributable to Sir Winston Churchill, democracy may not be the best form of government, and may be the worst, but it is better than all the others.

I say that bearing in mind the way this Chamber operates. Sure we could improve it, we can make it more representative in various ways and we all look at different ways. But I do not believe the referendum is one of those ways.

Having said what I have said, over the years we have been a Chamber which generally reflects the will of the people of Canada. At the present time that is no longer the case. I say it because this government has done so many things that it did not promise and, indeed, that run completely contrary to its stated promises and intentions.

Frankly, it is an absolute disgrace, Mr. Speaker, and I am sorry to make it sound as though I am being partisan on that issue, but I can understand the frustration of the hon. member for Calgary Northeast in bringing this in. After all, he was driven out of the Conservative caucus

by reason of his opposition to a tax that he believes is fundamentally wrong.

It was not just the tax. He has opposed several other policies that have to him seemed absolutely and fundamentally wrong. They were wrong because they were contrary to the promises made in the election in large measure, and they were wrong because they are bad for Canada in the second measure. We have been saying that for ages. Yet all we get for our efforts is closure. Every time the government says: "We have heard enough from the opposition on this bill after a day or two of debate. We will apply closure. We do not want to hear any more of your reasons for objecting to this bad legislation that we are proposing. That is our policy. We are going ahead with it. We do not care what Canadians think. We do not care what the opposition thinks. All we want to do is get the legislation passed into law. We will take our chances, thanks, in 1992 or 1993."

That is a new approach to government in Canada. I think it is detrimental to the way we operate in this House. Generally in the past debate has been slightly longer. There has been opportunity for more input into the decisions that the government has made through debate in this House. This government has chosen to limit debate at virtually every opportunity and to ignore Parliament as much as possible. I submit that that is a bad practice.

The hon. member for Abitibi suggests that maybe I am incorrect in that. If he is suggesting that the government is in fact acting in a way that supports Parliament and supports our democratic institution and supports the rights of members to participate in debate, I suggest he look at the record. I could cite the list. I do not have it with me today, but I could give the list of times that closure and time allocation have been applied in this House in this Parliament. I could give the hon. member the dates when Parliament was not sitting when in accordance with the rules it might well have been sitting. I can tell the hon. member that the reason for all the closure, the reason for all the time allocation, and the reason for the non-sitting of this House is attributable directly to the government.

• (1340)

I have spoken on this subject before in this House. He can look back at previous speeches and get the figures. I invite him to do so.

If the hon. member for Calgary Northeast is correct in his statement that in fact his move to this side of the House and his support of referenda generally is attributable to the fact that the government lacks the confidence of Canadians, which I submit is the case, then what I can say to him as a solution to the problem is why will he not urge more of his colleagues on the other side to join him on this side of the House. Certainly, we would welcome more members here to help vote against the government. We would be delighted to have them voting against the government. Whether they are in the Liberal Party or whether they are independents on this side of the House, as long as they are prepared to cast their votes against the government, I am happy to answer the question put by the hon. member for Niagara Falls.

We need a larger opposition that can force this government out so we can have an election and see whether in fact it has the confidence of the people, because that is the normal route. If the Prime Minister chooses, he can always dissolve the House and put us into an election. We in the Liberal Party are ready for an election at any time, not a referendum, but we are certainly ready for an election at any time. Indeed, we would welcome an election at this stage. Perhaps the hon. member for Niagara Falls would urge the Prime Minister to call an election so we can find out if the Canadian people support the policies that the hon. member says are so widely supported and so popular across Canada.

I can tell him, returning as I have from a weekend in my riding of Kingston and the Islands, that this government is notoriously unpopular in Kingston and the Islands. They are not in a position where people feel they can support the policies that the government is advocating and indeed, they would not support them if they were in a referendum or if they were put to them in a general election.

Mr. Speaker, I see that my time has expired and thank the House for its indulgence.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I thank the hon. member for Calgary Northeast for bringing this motion to our attention today in terms of a Private Member's Bill on direct democracy or referenda. As has been said already, this is something that is really different or foreign to our Canadian system in terms of a citizen initiated referenda. I also remind the House that the time has come, in my opinion, that we should look

very seriously at making the Government of Canada more accountable to the people of this country.

I say, unlike the member from the Conservative Party, that this institution is not working, that Parliament is not working, that there is a failure of this institution to respond to the needs of the people of this country. Our party, because of that, has established an action group to go across this country to try to get ideas from the Canadian people as to how to reform the Parliament of Canada to make it more responsible to the people of this country.

I find, for example, that a majority government in this country does not seem to work. It does not respond to the wishes of the people. In an election that is held today in terms of the issue of the day might be fiction in about two years time. We have a system in this country of responsible government which in theory is very good, but I ask the question of responsible for whom. Is it good enough to have an election every four or five years? I suggest it is not good enough to have an election every four or five years. A responsible government today is responsible not just to the people of this country but responsible in the main to the government side of the House and the majority Parliament in the House of Commons and that is not good enough.

The motion today by the member from Calgary is one on referenda. I am not sure whether or not he goes too far when he says there has to be a citizen initiated referendum that will be binding on the government as well as referenda initiated by the government itself. I think we should take a serious look at that proposition. We should debate the pros and cons to see whether or not this is one of the reforms to our parliamentary system. It is perhaps an idea that is much more popular in western Canada than it is in eastern Canada.

The Liberal and Conservative parties both put forward a spokesman from Ontario. If you look historically in this country, there have been since Confederation some 42 referenda conducted by provincial governments. Some 31 of them had been conducted in the four western provinces, three in the province of Ontario, two in the province of Quebec, and six in Atlantic Canada. Historically they have been used much more frequently in western Canada, perhaps because of the alienation or the grievance that many western Canadians feel about the central government and Parliament.

On the national level a referendum has been used on only two occasions. One of them was back in 1898 in terms of the prohibition of liquor. The other one was on conscription in 1942.

There are many recent examples as to why we must examine the effectiveness of our parliamentary system. We have, for example, a goods and services tax that most Canadians oppose strenuously but feel very helpless to do anything about because the government says it has mandate and, come hell or high water, that goes through regardless of the consequences.

We had a Meech Lake process. I supported very strongly the substantive part of Meech Lake which the members of this House know. The process of negotiation, which is not entirely the fault of this government but was inherited in many ways from the previous Liberal government, is a process that is too secretive. It is a process that is restricted to too few people. It is a process that must be opened up.

We also have in this parliamentary system of ours a Senate which is not democratically elected, a Senate where the Prime Minister can use an archaic constitutional provision, section 36 of our Constitution, and swamp the Senate with eight additional senators, something that is highly undemocratic.

On the other hand, there can be a majority in the Senate or a minority, as is now the case, that can override the wishes of the elected House. On either count, I do not think that is a proper way to go. We have had a situation this summer where we have also sent Canadian troops to the Persian Gulf, into a potential war zone without the recalling of Parliament. The Persian Gulf, the GST, the Meech Lake process, and the Senate are examples of why we need some reform to make this Parliament more sensitive to the wishes of the Canadian people.

We have to look at issues of whether or not we need a second House. Do we need an elected Senate? What power should that Senate have? Should we, for example, have in this country fixed election days so that government cannot manipulate an agenda to its purposes and forget about the purposes of the nation as a whole? Do we in this country need to have a look at proportional representation so that different points of view can be

represented constantly at the centre of this country, which is the Parliament of Canada?

Perhaps our country is too diverse for a majority government to work. A majority government might just respond to the huge population centres and forget about the smaller populated areas of this country.

Should we take a look at our confidence votes in the house? Should we give members of Parliament more freedom, regardless of party, to vote the way that they see fit?

What this motion is about is a question of direct democracy. It is a direct democracy versus representative democracy. Should we have the power to recall members of Parliament when they do not listen to the wishes of their people in their own ridings? Should we give the people of this country the power to initiate referenda that are binding on the Government of Canada and on this Parliament? Should the Government of Canada itself have the power to initiate referenda.

The first part of that question was answered several times by a previous Liberal government. I remember back in 1975 or 1976 when it proposed that the government have the power to initiate referenda on the Constitution. I remember the constitutional patriation act back in 1980 when Mr. Trudeau suggested that the Government of Canada should have the power to have referenda on constitutional amendments. I remember Pepin–Robarts back in that same period of time, back in the 1970s, suggesting a referenda procedure. It has been looked at very thoroughly.

The other part of this resolution that is new and different coming from my friend from Calgary is: Should the Canadian people have the right to initiate referenda? He is saying that with 10 per cent of the voters signing a petition they should have that right.

I did not take a serious look at that. It is a major deviation from what we know today, but I also want to suggest to the House that we look at a warning as well because we may indeed go too far down that road.

An example of that today is the state of California. In California there are about 13.5 million voters, and I believe it takes only about 3 per cent of the electorate to initiate a binding referendum. It takes 372,000 people, and I think that is far too few. It allows special interest groups to manipulate the system. If we take a look at the proposition seriously, we should make sure we do not go too far down that road. There is an election coming up on November 6 of this year in that state. There will be 20 referenda questions on the ballot, 20 different initiatives. The ballot booklet explaining the vote is 144 pages long. They are estimating that the campaign, surrounding these referenda in California, will cost around $200 million.

• (1350)

This is an example of referendums gone wild; they have gone too far in the direction of referendums initiated by the electorate. Also in the state of California, for example, we have found that referendums now have become a cottage industry. They are in the hands of a small group of people who represent special interests.

We must guard against that in this country and indeed we should look very seriously at this kind of a proposal. As well we must look at the idea of whether or not referendums unite people or divide people.

A referendum can be very, very divisive. That is something we must consider very seriously. It can be divisive. It can be, as it is in California, a process which is hijacked by special interest groups.

There was a referendum in California, for example, in 1984 about state lotteries. The campaign for that referendum cost $2.6 million, but $2.2 million of that came from one company that manufactured lottery tickets. That shows you, Mr. Speaker, that they can become captives of special interest groups. They can be hijacked by special interest groups. In California now it apparently costs up to $2 a name to campaign to get names on a petition to initiate a referendum. I leave us with that warning.

I see my time has run out. Let me refer to an article in *The Globe and Mail* of October 15 which refers to a referendum law in California that was explained to a B.C. Social Credit Convention. They warn that this cannot used by ordinary people but can be used by special interest groups such as big business to promote what they want. I think we have to be very careful if we go down this road that we do not go as far as they have in the state of California.

With that, I think we should take a serious look at this idea. My friend from Calgary is saying that it should not go as far as California. Indeed one needs 10 per cent of the voters of this country to initiate a referendum, rather than 3 per cent or 4 per cent as it is in California. Let us at least take a look at it in terms of referendums on constitutional matters. Let us debate this. Let us open

up this process. Let us open up these doors and let the people have a say as to what they want us to do.

I think we should refer this subject to a standing committee, maybe have some hearings on this issue, and allow the people to participate before we make a quick decision either yes or no.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I am pleased to join in the debate on the motion put forward by the hon. member for Calgary-Northeast.

Our colleague is urging the House to endorse a constitutional amendment in a measure he calls the Constitution Act, 1990 (referendum). In accordance with this amendment a referendum on any matter coming within the classes of subjects enumerated in section 91 of the Constitution Act, 1867 might be initiated either by Government of Canada proclamation or by petition of not less than 10 per cent of the electors of Canada.

The purpose of the motion in interesting. Although Canada is among the freest and most democratic countries on earth, it is important always to seek to strengthen public participation in the affairs of the state. Such is the very essence of our democratic tradition, which is indeed the envy of many other countries.

If there is one conclusion to be drawn from the recent Meech Lake Accord constitutional debate it is that Canadians want to have their say on important issues in this country.

Still I would suggest that the hon. member's proposition deserves closer scrutiny.

First, is that the only way to let Canadians take part in the business of the nation? No. Referenda are not the only way we have to reach our objectives. Among other options which spring to mind, for instance, we could hold public hearings where Canadians would be asked to speak out about the issue at hand.

Mr. Speaker, this kind of public consultation would enable us to hear the main arguments, and it is a process that can readily be initiated.

Since the beginning of Confederation, this form of public consultation has been used almost exclusively at the provincial level. There were the two referendums held in Newfoundland, in June and July 1948, which gave the population of Newfoundland a chance to decide whether or not the province would enter Confederation. There was also the referendum held in May 1980, in Quebec, on the future of that province within the Canadian Constitution.

There were other instances at the provincial level, especially in the Western provinces. Interestingly, most of these consultations were about prohibition.

Nationally, however, and that is the focus of the debate today, Canada has resorted only twice to this form of consultation since Confederation: in 1898, prohibition and in 1942 on conscription.

Mr. Speaker, I will not dwell on the debate that took place on this issue in Quebec and the other provinces. Suffice it to recall that on the day of the plebiscite, April 27, 1942, French Canadians in this country voted 80 per cent against the government's proposal, while English Canadians voted massively in favour.

The episode caused profound divisions between French Canadians and English Canadians on this issue. Mr. Speaker, this does not mean we should reject out of hand the possibility of having referendums at the national level. I merely wish to stress that this method of public consultation, attractive though its objectives may be, bears with it a real risk, as we have seen, of polarizing public opinion and dividing Canadians. In fact, it forces a decision without necessarily allowing for further discussion or encouraging consultation. It seems to exacerbate differences, to divide voters into two camps—for or against—leaving no room for compromise.

That is why I find it difficult to support the hon. member's motion right now. Considering the many ramifications and major consequences of such a decision, I think the proposal requires careful study. It would be most unwise to proceed before having been able to analyze all the aspects, all the consequences and before determining how we should proceed, something the hon. member proposes to do after rather than before the amendment is passed.

Mr. Speaker, if we decide that a referendum is the best way to involve the public, we must consider, for instance,

on what matters a referendum may be called, who may initiate such a procedure, what the rules would be, how best to ensure that the public is satisfactorily informed of what is at stake—

Mr. Kindy: Oh, stop talking!

Mr. Saint-Julien: The hon. member for Calgary Northeast tells me to stop talking! No member from Western Canada is going to tell a Quebecer to stop talking in this House, because it is my privilege, Mr. Speaker!

As I was saying— I see the hon. member for Calgary Northeast who tells me to shut up, but I remember he ran twice in Quebec and was beaten twice. He ran in Western Canada where he won, but he always lost in Quebec. And he will not prevent us from talking in this House!

We must also consider how best to ensure that the public is satisfactorily informed regarding the issues at stake, and whether a majority is required in each of Canada's regions as well as a national majority, and any number of other issues as well.

Mr. Speaker, I also think it is important to consider this question within the broader context of the constitutional amending process. The Prime Minister, the Right Hon. Brian Mulroney, said on June 23 and repeated on August 25 in Gaspé, and I quote: "Before initiating further constitutional reform, we will have to identify a new constitutional amending process". This new process will be what Canadians want it to be, and that is more open, more transparent and broader in scope.

The Prime Minister also indicated that we should always look for better ways to amend the Constitution, ways that reconcile the need for public involvement and democratic action with the legal constraints that exist in our Constitution.

In concluding, Mr. Speaker, I would like to say that I am in favour of finding ways that will provide for greater involvement of Canadians in the business of Parliament. However, to vote for the motion tabled in the House today would be to proceed piecemeal, without having analyzed all the aspects of these issues and without consulting the public.

[*English*]

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being two o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE LATE RENÉ HIGHWAY

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, on behalf of Manitobans, native Canadians and patrons of the performing arts across Canada, I would like to mark the passing and pay tribute to one of Canada's great young artistic talents. René Highway died last Thursday of meningitis at the age of 36.

Born in northern Manitoba, René Highway will be remembered for the imagination and innovation he brought to his choreography and dance. He will also be remembered as a talented film and television actor.

Together with his older brother Tomson, René Highway explored the clash of cultures between white man and native through theatre and dance. His work celebrated his pride in his heritage and people.

To his family in Manitoba, may I offer my deepest condolences. Canada has lost a young and vibrant inspiration.

In memory of René Highway donations will be gratefully accepted by the Native Earth Performing Arts Inc., Lower Level, 37 Spadina Avenue, Toronto, Ontario.

I hope members will join me in mourning a serious loss to this community and to this country.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bruce Halliday (Oxford): Mr. Speaker, on October 15, we tabled our negotiating position in Geneva on GATT.

Canada seeks a reduction in trade distorting subsidies, more access to international markets and clarifications of GATT Article XI, which permits import quotas in support of our supply management sectors, such as the dairy industry.

Also last Monday, the producer group known as Dairy Farmers of Canada launched a publicity campaign to increase consumer awareness of the GATT proceedings. Unfortunately, their television commercial has also had the effect of creating fears among producers that the government has changed its stance on supply management.

I emphasize that this is not the case. In their Toronto news release of Monday, October 15, 1990, Mr. Peter Oosterhoof, vice-president of Dairy Farmers of Canada and vice-chairman of the Ontario Milk Marketing Board stated, and I quote:

> The objective of the campaign is to increase Canadians understanding of the challenges facing Canada's dairy industry, and to enlist active public support for the positions taken in international trade negotiations by the Dairy Farmers of Canada and the Canadian government.

* * *

COMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the Bureau of Competition Policy announced last Friday that it intends to file an application with the competition tribunal in the matter of the acquisition by Southam Incorporated of publishing operations in British Columbia.

This decision provides firm reason to renew the call made for hearings before the Standing Committee on Culture and Communications into concentration of ownership within this and other media. The press, free, responsible and accountable, is an instrument of prime importance to all Canadians.

Because of concentration of ownership, many Canadians fear that the press will not be employed in such a way as to supply them with the full range of views required to make informed judgments. Thus, we cannot be complacent about continued concentration of ownership of the press. Concentration of media ownership is much more than a merger, an acquisition or a bottom line statement.

News and information, vital elements in making decisions, are becoming packaged, homogenized and sanitized. We are heading away from reading all the news that is fit to print toward being fed all the news that is print to fit.

THE ECONOMY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on behalf of Nova Scotians I would like to express my profound disappointment in the economic policies of the Government of Canada.

The high interest rate policies of this government are hurting consumers from coast to coast, but in particular it is hurting those individuals involved in the resource based industries.

In addition, high interest rates have a profound negative effect on small business across this country. It is they who create the thousands of new jobs which are needed so desperately in this country. However, with high interest rates, the policies being pursued by the government opposite will only serve to shut down small business in this country.

The policy with regard to a high Canadian dollar certainly does not provide any advantages whatsoever to our Canadian manufacturing associations across this country. As a result, thousands of Canadians will be without jobs.

Finally, the GST. Why is the Canadian government putting into place the goods and services tax when we are in the midst of a first ever Canadian-made recession? Why is the government so concerned with seeing its way on the goods and services tax, which it knows will fuel inflation and cost jobs. In other words, it will be extremely negative for the Canadian economy.

* * *

LITERACY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the eradication of illiteracy in Canada must be an unabridged priority of our government.

Everyone in Canada pays the price of illiteracy, including lost opportunities, diminished effectiveness, alienation and low self-esteem. The nation as a whole pays because we are denied the fullest participation and productivity of our citizens.

Today there is a growing appreciation that a nation's most important resource is its people. For it is Canadians, their collective ingenuity, knowledge, skills and ambition which will determine Canada's future economic growth.

Our government must continue to confront the issues which challenge the growth of our citizenry, such as illiteracy. The societal and individual costs of inaction are too immense.

I call upon our government to continue the fight against illiteracy. Our objective should be each and every Canadian having basic literacy and numeracy skills at a minimum. For Canadians and the country's sake, we should expect and receive nothing less.

* * *

[*Translation*]

SMALL BUSINESS WEEK

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on this Small Business Week, thousands of entrepreneurs will have an opportunity to exchange information and discuss business matters relating to the theme "Quality and Productivity: The Competitive Edge".

Today's business people are dealing with world-wide competition and increasingly demanding customers. Canadian businesses must not only match the prices and services of their competitors on a local and regional scale, but strive to be competitive on a global scale. That means providing products and services that their customers want and can count on.

Small businesses and large companies alike must design and implement specific strategies dealing with quality and productivity.

Mr. Speaker, the federal government showed its support by launching the Canada Business Merit Award Program.

* * *

[*English*]

BILL C-21

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, tonight one of the most harmful pieces of legislation, Bill C-21, the UI bill, will be passed because Liberal senators have capitulated.

In May, Liberal Senator Jacques Hébert stated:

> —not only must we resist until the government agrees to negotiate fairly with the Senate to reach an honourable compromise, but if we do not, we would betray millions of Canadians who have supported us so far, we would betray the most vulnerable among them, the poor and the disadvantaged, the unemployed in this country.

The Liberal deal has betrayed these Canadians. It includes the passage of the clawback on family allowances and old age pensions.

The Minister of Employment and Immigration must recognize that Bill C-21 will be devastating to Canadians as we enter a recession. The new variable entrance requirements contained in Bill C-21 make it even more difficult for displaced workers to collect benefits, even though they have been paying higher premiums since the first of the year.

If the Tories are bent on proclaiming this legislation, then I urge them to do so with compassion. Delay the implementation of new and tougher VERs and implement the old requirements. Workers have been betrayed by the Liberal Senate and now must look to the minister for hope. I appeal to her, take a second look and help unemployed Canadians.

* * *

SMALL BUSINESS WEEK

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, October 21 to 27 is Small Business Week in Canada.

Small Business Week recognizes the important contribution of small businesses to the Canadian economy and provides a forum through which the exchange of new information can be shared between small and medium-sized businesses throughout the country.

Small business account for nearly three-quarters of the jobs created in the country over the past few years and one-quarter of the profits and wages from businesses which have fewer than 50 employees. It is no secret that small business is the engine which drives our economy in Canada.

The government recognizes the importance of fostering a strong business community throughout the country, and the creation of ACOA and WDO have brought unprecedented economic development and prosperity to the regions.

* * *

• (1410)

DAIRY INDUSTRY

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, dairy farmers on Prince Edward Island are very concerned about the future of their farm businesses and the security of their families and rural communities. By

offering to slash price support to dairy farmers by 50 per cent and to open 5 per cent of the Canadian market at the GATT, this government is making a very serious error.

The Dairy Farmers of Canada have never agreed to the position of offering 5 per cent access by volume to the Americans. The dairy farmers were prepared to offer 5 per cent by value and no more than 3 per cent by volume. Let there be no confusion. This government is acting against the advice of the Dairy Farmers of Canada.

This government's free trade agreement and its flop at GATT show its failure to protect Canadian dairy farmers and supply management.

I ask the Minister for International Trade to pay a lot more attention to the agricultural talks at GATT and to show a bit of concern for dairy farmers, and indeed for rural Canada.

* * *

SMALL BUSINESS WEEK

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, today marks the beginning of our annual Small Business Week. My colleague, the Minister of State for Small Businesses and Tourism is announcing this year's theme, *Quality and Productivity: The Competitive Edge*.

As we all realize, small businessmen today are confronted with many changes in trading patterns, marketing techniques and the demands of the consumer. It is the disturbing pace of change that has brought these issues of quality and productivity to the forefront.

As the minister has pointed out many times, "to be competitive, Canadian companies must do more than simply match the price, service and design of competitors on a local and regional scale. They must compete on a global scale, and that means providing products and services their customers want and can count on".

In the minister's comments, there can be found the thrust behind this year's Small Business Week. With the federal government's support, we can be certain that our small businessmen across this country will rise to their new challenges of the ever-changing global marketplace.

* * *

BILL C-21

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Minister of Employment and Immigration is shutting the door on worker adjustment programs and on the variable entrance requirement, hoping those affected will take their frustrations out on the opposition in the Senate.

Since July her department has refused resources to those eligible for funding under section 26 for retraining. Officials claim increased demand and a shortage of funds because of Senate inaction on Bill C-21. Nothing could be further from the truth.

At the same time, the minister was able to get a 200 per cent increase in dollars earmarked for ensuring part-time employment for those threatened by lay-offs. This type of employment hides the true unemployment rate. Economic indicators point to some 140,000 full-time job losses in manufacturing this year alone.

The minister can today do something about both. She can make a commitment that, upon Senate passage of Bill C-21, moneys will be made available automatically to those who have been denied job retraining since July. She can also make the variable entrance requirement retroactive for those who have already suffered in the hard hit areas.

It is time that the minister put action behind her words.

* * *

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, is this a government that can run a modern railroad? Once again, the evidence says no.

VIA Rail just rolled out its brand spanking new rolling stock, with the latest in fixtures and appointments; everything you could imagine, even electric heat instead of steam. The one thing it did not install was a tank for holding human waste.

VIA's brand new equipment still dumps human sewage as it moves, leaving it to be found by the people who work on or near the tracks.

We have been pressing this government and the Liberals before it to give VIA the resources it needs to get genuine, modern equipment for the next decade and beyond, but our calls have fallen on deaf ears.

And yet perhaps this is not too surprising. From a government that has dumped on passenger rail, this is entirely consistent.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, nearly two months before the implementation of the GST, Canadian businesses and customers still do not know what is happening with the goods and services tax.

The liberal Senate and Jean Chrétien continue holding the government hostage and ridiculing democracy, with the consequence that our business people and the public in general are thrown into insecurity. Seven million Canadians are waiting for a cheque before Christmas to compensate some effects of the GST. Unfortunately, we still do not know if these 600 millions dollars or so will be payed in time for Christmas.

Mr. Speaker, in view of such abuse of power, let us wish at least that the people of Beauséjour realize the rotten deal Jean Chrétien has in store for them if he gets to represent them here in Ottawa.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. This fall, with the Canadian economy in recession, with thousands of workers losing their jobs in the plant closings announced almost weekly, in fact with thousands of Canadians suffering because of the government's high interest rate and high dollar policies, the Prime Minister has said he will not convene a meeting of First Ministers on the economy.

I ask the Deputy Prime Minister: Will the government show leadership on this matter for a change? Will the government announce an immediate First Ministers' conference on the economy? Or, is it unwilling to do so because it is afraid to face the music? Is it afraid to face up to the reality of its own mismanagement of the Canadian economy?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Prime Minister, at this very moment, is out in western Canada speaking to people, talking about policies and issues and defending the government's record. He certainly is not acting like a person that is afraid of facing the very hard issues.

I can tell the hon. member, as he is well aware, that under the provisions of the Meech Lake Accord there would have been a process set up on a permanent basis where such meetings would have taken place. Unfortunately, with the failure of the Meech Lake Accord, that has not been implemented.

I can advise my hon. friend that there is a very thorough consultative process that is taking place under the auspices of the Minister of Finance. He is in the course of meeting with finance ministers of the provinces, as he will be meeting with labour and other important representatives of the Canadian economy as he prepares and lays the ground work for a new budget. It would certainly be premature now, having regard for the fact that that process is in fact in place at the present time.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, when the country needs leadership, the Deputy Prime Minister is confirming that once again the Prime Minister has decided to abdicate his responsibility.

[*Translation*]

Mr. Speaker, the Deputy Prime Minister knows full well that conferences of this kind were convened very often in the past and that the Meech Lake Accord was not the only justification for them. Again I ask the Deputy Prime Minister why, in these recessionary times, is the government not prepared right now to call an economic conference of provincial premiers and the Prime Minister of Canada? We do need such a conference.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think it is fair to say that we have

not seen anything constructive in terms of how to deal with some of the important issues emanating from the premiers. One of the reasons that the Minister of Finance is in fact engaged in the consultations is to simply sit down and talk about the issues of the economy and see whether or not they have anything constructive to offer. So far, we have not seen very much.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, as I have said, thousands of skilled workers are losing their jobs right now in plant closings. One example is the 500 workers at Kelsey in Windsor who are linked with a transaction in which Varity Corporation is paying the government $15 million.

Will the government agree to use this money to set up a new economic development fund to help the private sector begin to create jobs to make up for the jobs that are being lost in communities such as Windsor due to plant closings and in similar communities right across the country? Will the government agree to take at least this one small initial step to begin repairing the damage it is causing every day to the Canadian economy, to Canadian workers, and to Canadian families?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): One way, Mr. Speaker, in which the hon. Leader of the Opposition can help is by prevailing upon the Senate to ensure that the government's financial legislative program gets passed into law. That would be doing himself, his party, and the country a lot of good.

Some hon. members: Hear, hear.

• (1420)

Mr. Mazankowski: Mr. Speaker, I think the hon. member was in the House when the Minister of State for Industry, Science and Technology went through a litany of new investments and new job creating activities right in Windsor and the surrounding area. What has to be remembered—and I am sure the hon. member is aware of this because he has had similar experiences; I think he was involved in some adjustments and restructuring of the manufacturing sector—is that adjustment and restructuring is currently under way, but it is also coupled with huge investments by Ford, by General Motors, by other automotive companies. They are upgrading their operations so that they can compete in the 1990s and into the 21st century.

* * *

[*Translation*]

INTEREST RATES

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, my question is for the Minister of Finance. Considering that the Acting Prime Minister is telling us that the First Ministers have not contributed anything to the debate on the Canadian economy and that bankruptcies are on the rise, does the Minister of Finance still agree, does he still support the policy of Bank of Canada Governor Crow who keeps saddling Canadians with unduly high interest rates? Is he still supportive of a policy which is driving us straight into a recession?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me again take my hon. friend back to the reasons for the policy of maintaining high interest rates.

We had a period where the growth in the economy was outrunning the capacity of the economy to meet that growth. That led to inflationary pressures through 1987, 1988, and 1989 and there are still some elements of those inflationary pressures right now. Unit labour costs are growing in excess of 6.5 per cent. That compares to something less than 5 per cent in the United States, and close to 4 per cent in countries such as Japan and Germany. It is important that we get these inflationary pressures under control. We are working to do that.

We have seen the Consumer Price Index performing reasonably well in recent months. We are concerned as to where this might go in the next few months because of the pressures on the price of oil as a result of the Gulf crisis, but our hope is that we would be able to see a continuation of the drop in interest rates that we have seen during the course of the summer. That remains to be seen, though, because of the problems that we are seeing with the price of oil.

That is the direction in which we are heading, and we are confident that the policies we have been following have been working.

GOODS AND SERVICES TAX

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I would like to direct my question to the Minister of National Revenue because the minister has decreed now that Canadians will have to pay the GST after the first of January, whether it is the law of the land or not.

Knowing that Canadians are aware they may not be legally required to pay that tax, does the minister understand the chaos and confusion that is going to be caused when angry, frustrated consumers walk in to purchase goods or services in the country knowing that they do not have to pay the goods and services tax if Parliament has not passed it? Is the minister going to go along with this knowing that even the Auditor General does not think he can implement this tax effectively?

Mr. Beatty: You should speak to Allan MacEachen about that.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, if the hon. member would get his facts straight he would know that what I said in the scrum to some 12 or 15 reporters last Friday was consistent with what the Minister of Finance and I and others have been saying all along and that the headline that came out from one of the 12 or 15 reporters was taken out of context. In the next sentence, in a transcript from the scrum, a reporter said: "Are you saying it is going into effect even if legislation doesn't pass?" My answer was: "No, no. I didn't say that. I am saying that I hope it passes sooner rather than later."

Having said that, Mr. Speaker, the hon. member should know that the business community is saying, whether it is the president or chairman of the Canadian Chamber of Commerce or others, that every day that the Senate delays the passage of this bill it is costing the business community money as a result of uncertainty. I would hope that the hon. member would have enough guts to stand up, speak to his friends on the Liberal side and make sure this is passed on behalf of the business community of Canada.

Some hon. members: Hear, hear.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I also have a question for the Minister of National Revenue, because this morning we talked with the newspaper journalist who wrote that story and who explained it. In fact, it was a one-on-one interview which took place.

Some hon. members: Oh, oh.

Mr. Langdon: I want to put this question to the minister: Is he saying that the various quotes, extensively put out at length in *The Financial Post* and which have been taped by the journalist in question, are, in fact, false? Is he denying what is in *The Financial Post*?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I thought I just explained quite clearly the result of the statement taken out of context.

If he reads the transcript, the hon. member will know that we were discussing as to when, in November, this may or may not pass in the Senate. We were talking about November 1, November 9, and November 15. That is where the quote came from in respect of when in November it will pass. I just said: "The GST is going to go ahead on January 1, 1990, regardless of when it is passed in the Senate", meaning in November. Later on, and I repeat what I just said to the hon. member, I was asked: "Are you saying it is going into effect even if legislation does not pass?" And I said: "No, no, I did not say that. I am saying that I hope it passes sooner rather than later." That is consistent with what I have been saying all along.

The concern with this whole matter is that the business community, as a result of the delay in the passage of the legislation in the Senate, is now confused and is uncertain as to what is happening. We are saying that we are certain that it is going to pass through the Senate, it will become law, and businesses should prepare early for their own benefit.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, frankly the minister is wriggling; he is attempting to squirm; he is trying somehow to escape—

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the hon. member could put his preamble and put his question.

Mr. Langdon: I put it to the minister that it is time for him to stand up in the House and say very clearly what it was he said on Friday. Is the minister prepared to stand up and, quite clearly, say to the people of Canada that

Parliament still makes the laws of the country, not the chief tax collector?

Some hon. members: Hear, hear.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I have been accused, on many occasions, of skating around the issue. This hon. member appears to be skating on the offensive and he is going backward and getting nowhere.

The question that he has asked, I have answered previously on two different occasions. If he is talking about the fact that the House of Commons sets the agenda, draws up the laws, and creates the policies of the country, he is absolutely right. That is why the senators should abide by what the traditions of this Parliament are and pass the parliamentary agenda, as they are due to do, on behalf of the business community of Canada.

[*Translation*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, a minister cannot possibly avoid responding directly to such an important question.

I would like to ask the minister whether he is prepared to tell us that it is not up to him to make a decision on that tax? It is up to the Parliament of Canada, namely the House of Commons and the Senate.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, my answer is the same in French.

• (1430)

[*English*]

The hon. member is obviously skating on thin ice, to use the term which he has used in the past. I have answered the question very clearly. My comments on Friday were consistent with what we have been saying all along.

Since the member is so interested in this issue, I hope that he will support what the chairman of the Canadian Chamber of Commerce said. I quote Mr. Jack St. Clair: "We believe that business, because the GST is passed by the House of Commons, it has to be implemented now because business is not waiting. Any delay or any cancellation would have a cost effect on us now".

What we are saying to the business community is prepare now, because we believe the GST is going to be launched on January 1. The sooner you prepare, the sooner you register, the sooner you can take advantage of the benefits accrued as a result of early registration.

* * *

SMALL BUSINESS

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is to the Minister of Finance. The fiscal and monetary policy of this government and this Minister of Finance is killing small business. The high interest rates, the high dollar, and the complicated GST is forcing large pools of capital from Germany and Japan to withdraw and go home.

At what point in time does the Minister of Finance start listening to small business, realize that they cannot operate in this environment and withdraw the GST?

Mr. Andre: Contempt for the House of Commons.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is saying that he is looking for leadership. I would suggest that he look within his own party for leadership.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): Here we have Jean Chrétien back in January 1980: "I don't think this tax should be implemented". On March 5, 1990: "It would be irresponsible for Liberals to promise to scrap Ottawa's proposed GST without offering alternatives". September 27: "I want the tax dead".

Last weekend: "We'll repeal all taxes. There might be a GST. I don't know the result". I will give you some examples. He said service should never be taxed. Then he said: "Already, I am in the process of forming a committee to look at the alternatives." They are just starting now.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): It seems to me that on June 23, he said: "We have work to do". He waited four months to form a committee, to talk about what the alternatives might be. Here he is thinking of getting the Liberal senators in the other place to stop the GST. Where is the alternative? "We have work to do. I am thinking of forming a committee within the party to start to look at the alternatives".

Mr. Speaker, Canadians are looking for leadership. That is not leadership.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary is to the Minister of Finance. Once again, he puts a bunch of clips and quotes together. He knows that our leader has stated categorically that this tax will be undone when he is the prime minister of Canada.

Some hon. members: Hear, hear.

Mr. Mills: The Minister of Finance will not answer the question. He skirts the question. He diverges. Let us try a very simple question for the Minister of Finance.

The Small Businesses Loans Act, which could help small business in this country, needs reform. It is a policy initiative which everyone in this House agrees is a good policy initiative. When is he going to do something simple like trying to reform the Small Businesses Loans Act which can help that vital sector of our economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says that John Chrétien is being absolutely categorical. I think that was the word he used, categorical. He said: "The GST will be on the table. There might be a GST, I don't know the result." Is that very categorical, Mr. Speaker? Or is it the same sort of cynical Liberal politics that in 1974 said: "We will not have wage and price controls". In 1975, what did we have? We had wage and price controls.

In January 1980: "We will not allow that 18-cent a gallon tax to go through". What did we have a few months later? Fifty, sixty, seventy cent-increase in the price of gas. Mr. Speaker, that is the sort of cynical—

Some hon. members: Hear, hear.

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INDIAN AFFAIRS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Deputy Prime Minister. On September 20, I wrote to the Prime Minister requesting a full inquiry into the entire Kanesatake situation and related events at Kahnawake. On October 16 the Prime Minister said in this House, and I quote: "There is a motion to refer the whole matter to a parliamentary committee". Is the federal government content with doing nothing, or will the Deputy Prime Minister commit the government today to establishing a full federal inquiry into this summer's tragic events?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the hon. member has said, there was a motion before this House which the government wished to have brought to a vote, but which the opposition did not wish to have brought to a vote, and would have referred the whole matter to a committee of the House.

The hon. member knows, and other members of this House know, since this government implemented the reform of the committee system, committees are the masters of their own fate in the House of Commons. They may establish at any time any mandate that they wish which they feel is in the interest of the Canadian public.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the minister's answer is totally unacceptable. It is cowardly, it is not directed—

Some hon. members: Oh, oh.

Mr. Speaker: I am sure the hon. member does not want to use that kind of language. Would she please put her question.

Mr. Clark (Yellowhead): Withdraw.

Ms. Blondin: Mr. Speaker, I direct my supplementary to the Deputy Prime Minister. Will the Deputy Prime Minister tell this House that a parliamentary inquiry is indeed justified and will be established? Will he quit beating around the bush?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I am not sure if the response that my colleague put forward to my question deserves an answer at this time, but I would wait until the end of Question Period to review what was said.

My colleague knows, as every member of this House knows, that it is within the power of every standing committee of the House of Commons to undertake work which they believe is important to the people of Canada.

I can inform the hon. member that if she would wish to bring that motion to a vote today, then I am sure there can be an arrangement between the House leaders respecting the motion that was put forward, which the government wished to bring to a vote but which the

opposition parties did not wish to have brought to a vote. Maybe they would like to reconsider their opinion at this time.

* * *

THE ENVIRONMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is for the Deputy Prime Minister. As of 2.15 this afternoon the federal government still had not filed with the courts an injunction concerning the Rafferty–Alameda and the ongoing construction. As I am sure the Deputy Prime Minister knows, the Saskatchewan government is proceeding with construction around the clock. So far they have not started work on the downstream channelization on the Souris Basin site and they have not started work either on the Souris Basis reservoir, which would be the most damaging to the wildlife habitat. Why has it taken the government four days to attempt to seek an injunction? When will it file the proper papers with the courts in order to seek the injunction and will it ask the court to render an immediate decision?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in the absence of the Minister of the Environment, who is in Washington meeting with Mr. Reilly and other American officials on the goods news relating to the passage of amendments relating to the U.S. Clean Air Act, I am happy to have this opportunity to inform the House that lawyers representing the Government of Canada are in fact in court this afternoon in the process of serving and filing the documents in the Saskatchewan Court of Queen's Bench with respect to the injunction which we announced last week we would be seeking.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I am still concerned about the length of time it has taken. On May 2 of this year, I drew to the attention of the then minister of the environment the construction going on. At that particular time there were members of the panel who were threatening to resign from the panel. In fact, the minister of the day stated to me: "We are in the process of checking out what those activities are. If we find out that they are not justified for safety reasons, et cetera, we will step in and take the proper decisions". Why has it taken the government almost half a year to come to the conclusion that the Saskatchewan government has been breaking the agreement and why has it not attempted to stop the Saskatchewan government from doing the construction much earlier?

• (1440)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, during the course of last week, members of both official parties were on their feet day after day, demanding that the government go to court to seek an injunction to stop the work in Saskatchewan. When we announced last week we would do that, the opposition parties somehow or other immediately decided that that was not what they were seeking. Today, when I announced in the House of Commons that we are in court this afternoon, again there is no support for that proposal. Instead, they go back into history to try to ignore the issue which they proposed last week.

Mr. Speaker, the true facts of the matter are that we are in court this afternoon. We are doing exactly what both opposition parties wanted last week. For once I think it would be helpful if they stood on their feet and supported us.

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NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is directed to the Minister of National Defence.

Will the minister tell the House and the Canadian people how the Persian Gulf task force operation is being financed? Is it out of the current operations and maintenance budget or is it from a separate funding arrangement?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the hon. members knows, the Persian Gulf crisis was not something for which the government or any other government would have been able to plan.

The member asks whether it is from operations and maintenance or from a special fund. I can inform the hon. member that the resources needed to support the

men and women in the Persian Gulf and to fulfil the commitment made by the Government of Canada to deter aggression and to enforce UN sanctions are being put forward. Resources will be available throughout the crisis, but at this time they come from the total budget of the Department of National Defence.

I can inform the hon. member that we are having discussions with colleagues at this time as to the impact of the Persian gulf crises upon our resources. Once again, I would like to assure the hon. member and other colleagues that the resources necessary, to ensure that the men and women who are serving Canada are able to serve it in a way which would make the risk acceptable, are in place at this time.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I ask the question because I fear we may be getting to have a negative impact on the operation, and this concerns me very much.

I had several telephone calls over the weekend. From the calls I understand that certain defence contracts have been terminated for lack of funding. As a result, weapons maintenance for the Persian Gulf force may be or will be impaired. Can the minister give the House the assurance that the Canadian task force in the Persian Gulf consistently gets the best support that money can buy?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I would like to go back to the first part of the hon. member's question, if I could, because it is important.

There have been statements made in the press by a certain individual, Mr. Gerry Lanigan, which are totally inaccurate. The hon. member does not have to take my word for it, he can take the word of the president of Mr. Lanigan's company who has apologized for those statements and himself said that they are inaccurate.

I can assure the hon. member that we are providing the resources to do the job. We are trying our utmost to assure the people of Canada that the men and women who are serving and performing on behalf of the people of Canada are being provided the equipment that we can provide at this time regardless of the cost in dollars.

EXTERNAL AFFAIRS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. We have information that the multinational force in the gulf region has approximately 27 ships and submarines which are equipped to launch between 375 to 500 nuclear missiles. Considering the serious risk of war and the state of tension in the gulf, would the minister take action through the United Nations to have the United States, the United Kingdom, France and the Soviet Union remove all nuclear weapons from the region immediately?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member as he normally does chose his words with care. He used the words "equipped to launch". He then made a logical leap to suggest that there was some intention to launch. He knows that is not the case.

He also knows that it is the policy of the Government of Canada, and indeed of the various governments that have come together in this remarkable show of opposition to the aggression of Iraq in Kuwait under the auspices of the United Nations, to act under those auspices as much as that is possible.

He will know that there are discussions going forward now to see if there is some way in which the United Nations mandate may be extended. He will also know that it is the hope of Canada and of the other countries involved that this matter will be resolved without the use of force and that Iraq will withdraw from its unacceptable invasion of a neighbour. We can then get on to the serious question relating to nuclear, chemical and biological weapons in the region, that is to try to have some means in which the stores of Iraq and those of other countries can be gradually controlled and eliminated.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, the minister knows the awesome destructive power of nuclear weapons.

In those circumstances, would he not urge our allies in the gulf to pledge publicly a no use policy of all nuclear

weapons in this conflict and remove whatever weapons are there immediately? Would he not do that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member has followed these issues for some time and is one of the genuine students in the House of procedures at the United Nations.

He knows that discussions in the Security Council now, which have so far yielded extraordinary consensus, are continuing with an eye to see if that consensus can be extended. I think that on reflection he would understand that a call by Canada or anyone else for some kind of unilateral action on nuclear weapons, on some nuclear weapons, because that is what he is talking about, could well have a counterproductive effect.

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VARITY CORPORATION

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is addressed to the Minister of Industry, Science and Technology.

As he knows, Ontario has used every cent of the $9.4 million in compensation that it received from Varity Corporation for the benefit of workers who are affected by plant closures in Ontario. Evidently the federal government has simply pocketed its $25 million share and put it into the general fund.

Why does this government not show the same sensitivity to the plight of workers as has the New Democratic Government of Ontario and allocate its share to the benefit of workers?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, first I would like to correct my friend. It was not $25 million but it was $15.6 million.

Second, my friend knows very well that the agreement we had regarding Varity with the Government of Ontario and Canadian Autoworkers was a global agreement within which there were four or five different parts that the Government of Ontario agreed with.

The $15 million, as all money used by the government, will be used in the best interests of the country. I will not give any guarantee that it will be automatically for or put into any kind of program which is determined in a specific way.

I would like to say again that it is a good deal. We believe that the Varity answers were good for the workers, for the country and for the Province of Ontario. I believe it is all everybody wanted, and it is what we reached.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the minister is quite right. The federal government's share is $15 million out of $25 million.

This is a government that desperately needs to demonstrate that it is concerned about workers. I repeat my question: Why can't this government show the same sensitivity as the New Democratic Government of Ontario and earmark those funds specifically, which have been generated by the actions of Varity and which have affected workers, or delegate those funds specifically for the benefit of workers and not his corporate friends?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, the Government of Ontario decided to use the money in the way it wanted to use the money. The Government of Canada could make another decision. It does not mean, as my hon. friend hinted, that it will not be done for the workers.

There are different means for the government to delegate money for workers and those companies. He is yelling at my friends from the business community. I think it is very helpful sometimes when those companies that my friend is yelling at for a little while could create jobs. I believe it is very good as an answer for the Government of Ontario. It is good for us too to use the money in the way we believe we can help Canadians.

* * *

• (1450)

[*Translation*]

GOODS AND SERVICES TAX

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Finance. Seven million Canadians are supposed to receive a cheque before the GST becomes effective. These cheques are supposed to reach them in December, before Christmas. Considering the fact that the Liberal senators and Jean Chrétien are continuing their obstructionist tactics to delay the coming into effect of the GST, will the minister nevertheless be able to send these cheques to Cana

dians, or will there be an embargo on the cheques as long as the GST has not been adopted by the Senate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very concerned about the GST credit cheques. After royal assent, it should take about two or three weeks before the cheques can be sent to low-income Canadians so they will have them before Christmas. The Senate must adopt the bill as soon as possible.

* * *

RAILWAY TRANSPORTATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Transport. For several months, CN and VIA management in Montreal have been working together to phase out railway passenger transportation in the ridings of Abitibi, Roberval and Témiscamingue. Is the minister going to go so far as to accept the recommendations of these people who have no consideration for isolated areas?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my predecessor announced a special study to examine cost-benefit options for transportation for genuinely isolated communities. I am waiting for the results.

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[*English*]

MANITOULIN AIR SERVICE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Transport.

Manitoulin Air Service has announced that it will stop its regularly scheduled air service between Elliot Lake, Manitoulin Island, and Pearson International Airport, Toronto, November 1 because the government is imposing massive new landing fees amounting to $56,000 per year.

Why is the government destroying this vital air service between northern Ontario and Pearson International Airport in Toronto?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my hon. friend will realize that under deregulation there has been a great expansion in the number of routes over the past five years and in the number of flights taken; some 20 per cent in the north, I believe.

In the course of trying to operate our facilities as efficiently as possible, we have undertaken some cost recovery. The cost recovery which he speaks of is part of that program. It is happening all across Canada, in an effort to run the operation as efficiently as we can. For that reason there is cost recovery.

Mr. Maurice Foster (Algoma): Mr. Speaker, the minister should know that good air service is vital to the economic survival and development of northern Ontario. In Elliot Lake we have already lost 2,400 jobs this year in the uranium mines. We want to diversify that economy.

In view of this need in northern Ontario, will he roll back these new landing fees and maintain this vital air service?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the people of Ontario and Quebec are interested in service. I can tell my hon. friend that service in Ontario and Quebec increased by 16 per cent over 1988. There is an increase of 24 per cent for non-jet weekly flights.

It is the function of cost recovery and user pay to operate the system as efficiently as possible. That is exactly what we are doing.

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PEARSON INTERNATIONAL AIRPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the same minister and is with regard to the privatization of terminals 1 and 2 at Pearson Airport.

Given that this government's airline policies of deregulation and privatization have been a dismal failure, why did the minister try to privatize the two terminals at our largest airport in the country only after three unsolicited private bids were deposited with this government rather than conduct a full public hearing process that would have truly determined if privatizing the terminals was in the benefit of the travelling public and the Canadian taxpayer?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my hon. friend will know—and I am sure he did not mean intentionally to mislead the House or the public—that we are privatizing or turning over to private enter-

prise on a long-term lease basis the non-aviation services at Pearson Airport.

My hon. friend may think that it is the duty of the government to decide whether it should be five coffee shops or four. We happen to think private enterprise can do that job better.

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same minister.

At his announcement last week in response to a question whether the private firms would protect the existing jobs, this minister said among other things, and I quote: "I am not in the business of saving jobs".

I ask the minister who is yelling and is agitated how he can allow himself to make such an irresponsible statement when there exists 14,000 Canadian jobs at those two terminals and following thousands of Canadians who have lost their jobs in the airline industry in the last two weeks alone.

Will the minister ensure the safety and security of these jobs rather than be glib? It is the same thing that they said to Air Canada employees: "Don't worry, be happy". Now there are 3,000 people who are not very happy.

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my hon. friend said unquote. I am going to give him the whole quote. I said: "I am not in the business of saving jobs. I am in the business of creating opportunities". That is what I said.

You should have been there like the NDP critic. You should have been there. The NDP critic was there. Why weren't you?

Now, Mr. Speaker, let us talk jobs at Pearson. Why do you not ask me for the figures? There are 450 Transport Canada jobs at Pearson; 275 of them will stay with Transport Canada. My hon. friend is talking about 175 jobs.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister promised the people of British Columbia that there would be a full public hearing into Alcan's Kemano completion project.

On October 12 cabinet passed an Order in Council exempting the Kemano project from public hearings and from environmental impact assessment. Why?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I think, as the hon. member knows, there were indeed hearings set up by an independent panel of very distinguished citizens in Canada, including the president of UBC, Dr. Strangway, who is a significant scientist in his own right.

This panel held public hearings. It accumulated some 22 volumes of scientific evidence and came to the conclusion that the conservation and protection of the chinook fisheries resources of the Nechako River could be achieved by a program of mitigated measures. It came to the conclusion—and it is the conclusion of this government—that in fact the study which it had done was the equivalent of the EARP process.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

The three lead federal scientists who looked into this project have now suggested publicly that there was political intervention by this government in relation to the decision on Alcan's Kemano project. Four ministers of fisheries in a row—James McGrath, Mr. Speaker, Romeo LeBlanc, and Pierre de Bane—all promised that there would be a full public inquiry and environmental impact evaluation of the project.

Why has there not been a full public inquiry and an environmental impact assessment of a project that will lower the Fraser River by three feet?

• (1500)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): First, if I recall correctly, and I stand to be corrected if the hon. member wishes to correct me, it is my understanding that he is on record as supporting the agreement when it was reached earlier on, about three years ago.

To address the question he has just raised, I would say to you, Mr. Speaker, and to all members of this House that there is no basis whatsoever, according to information available to us, in respect of allegations respecting a cover-up. If the hon. member has such evidence or any other individual has such evidence, surely they have a responsibility to lay it before this House so it can be

properly evaluated. But I would think it is passing strange to suggest that a panel of this nature, headed by such a distinguished British Columbian as the president of UBC could, in fact, be accused of such a cover-up.

ROUTINE PROCEEDINGS

[*English*]

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AGREEMENT ACT

MEASURE TO ENACT

Hon. John McDermid (for the Minister of Finance) moved for leave to introduce Bill C-88, an act to provide for the membership of Canada in the European Bank for reconstruction and development.

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

* * *

ABORIGINAL AFFAIRS

REFERENCE OF SUBJECT MATTER TO STANDING COMMITTEE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise on a point of order. In view of the answer that the Deputy Prime Minister gave to my question regarding the federal inquiry into Oka, I want to request unanimous consent for a motion. My motion is seconded by the hon. member for Broadview—Greenwood and reads:

That the subject matter of the events at Kanesatake and Kahnawake during the summer of 1990 be referred to the Standing Committee on Aboriginal Affairs.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, that of course, was part of the original motion which we were not able to bring to a vote when that was discussed. I wish the hon. member had raised this with me before moving the motion. As I indicated, the government, by having brought forward that motion, indicates that we are quite willing to have the subject matter go to committee. But as her House leader is often prone to tell me, "no surprises, no surprises; I don't like surprises".

But to show that I am able to react to surprises a little quicker than the hon. House leader of the opposition, we agree.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, just to clarify the matter, the government House leader indicated that the original motion had that clause attached to it. I may be wrong, but my recollection is that it was to be referred to the justice committee, not the committee on aboriginal affairs. Perhaps I am wrong, but my understanding was that it was to be sent to the justice committee. I wonder if he could clarify that point.

Mr. Andre: You are right, that was the issue at stake. But as my colleague, the Minister of National Defence indicated today, the committees of this House are quite capable now, under parliamentary reform brought in by this government, of selecting their own subjects of study. So we have no particular problem in allowing to be done that which could be done anyway.

Mr. Rod Murphy (Churchill): Mr. Speaker, is the government House leader indicating that as opposed to the policy of the Conservatives in the transport committee, he will actually let his members of the aboriginal affairs committee come to a committee meeting so that they can ask for that particular subject to be studied.

Mr. Andre: Just a point of order, Mr. Speaker. Again we have the New Democratic Party trying to impugn the motives of members of this side of the House, and I object.

Mr. Speaker: The motion before the House is that the subject matter of the events at Kanesatake and Kahnawake during the summer of 1990 be referred to the Standing Committee on Aboriginal Affairs. I take it that there is consent.

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise in accordance with Standing Order 36 to present a petition from 95 of my constituents. They are from the Elliston, Duntara, Bonavista, Spillars

Cove, Catalina, Little Catalina, Melrose, and the Port Union area.

These constituents are very concerned about the high unemployment rate in Newfoundland which is the highest in the country, and that they need 14 weeks, as it now stands, to qualify for unemployment insurance. They are not very happy with that. They want it reduced to 10 weeks by the variable entrance requirement, as has been done very year since 1976.

The petitioners humbly pray and call upon Parliament to introduce the variable entrance requirement without delay, but immediately—now.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and a privilege to present a petition pursuant to Standing Order 36 on behalf of a number of constituents from Clearwater, British Columbia, Logan Lake, British Columbia and Kamloops, British Columbia, who simply cannot believe that the government plans to impose a special tax on reading material, as a result of the goods and services tax decision.

They point out that in a democratic society, the printed word is a cornerstone of democracy and to tax it would make us the only country in the world that does so. They say forget that.

On another topic, Mr. Speaker, some of my constituents from Kamloops point out their opposition to the goods and services tax. After pointing out a whole set of reasons why they oppose the tax, they ask the government to reconsider proceeding with it, but to implement instead real fair tax reform.

Ms. Margaret Mitchell (Vancouver East): I have the honour to present four petitions from quite a number of people from the great riding of Vancouver East.

These people continue to say that they are opposed to the goods and services tax. They reject the current proposal of the government. They want reform of the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

The petitioners want to ensure that if and when there is a broad public consensus on the sales tax measure, this reform will not be an opportunity for the government to impose a massive tax grab. They want the government to cease with this proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty on behalf of citizens of Saskatoon—Humboldt and the area surrounding Saskatoon—Humboldt to present a couple of petitions which state categorically their opposition to the goods and services tax. They call upon the government to reject the tax now.

Mr. Rex Crawford (Kent): Mr. Speaker, once again I am honoured to rise in the House pursuant to Standing Order 36 to present a petition on behalf of the constituents of my riding of Kent. The petitioners request that the government withdraw this despicable GST bill and axe the tax.

VETERANS AFFAIRS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, under Standing Order 36, I have two sets of petitions I would like to bring to your attention. The first is a petition which notes that the Government of Canada has introduced charges that will reduce homekeeping services to veterans and substantially increase the cost of long-term care.

These veterans also note that they have already given service to this country and should not be targeted by these measures. The petitioners call upon Parliament to reject the budget measures that deprive veterans of proper services and increase their financial hardship.

• (1510)

GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): The second set of petitions, Mr. Speaker, relates to the GST on books. We are in receipt of hundreds of petitions which bring to our attention the fact that books have never been taxed in this country and that for the first time this government wants to apply the GST to magazines, books and newspapers. This is a very nefarious tax. It hits the printed word which is the cornerstone of democracy, culture, education and a literate and productive society.

We will be celebrating Literacy Day next week. I call upon this government to reconsider this tax on reading, this tax on intellectual understanding of the society in which we live.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

* * *

[*Translation*]

POINT OF ORDER

WITHDRAWAL OF GOVERNMENT ORDER NO. 16 AND ALL RELEVANT AMENDMENTS

Mr. Marcel Prud'homme (Saint-Denis): All summer long, Mr. Speaker, we wanted Parliament to be recalled to debate an important issue, namely the gulf crisis. On Monday, September 24, the Secretary of State introduced a motion. On September 27, my colleagues of the Official Opposition moved an amendment, and the New Democratic Party moved a sub-amendment. At 5.30 p.m. on Tuesday, October 16, the Parliamentary Secretary to the minister who is the Government House Leader rose to seek the unanimous consent of the House, saying 'I got it, I ask that the NDP sub-amendment and the Official Opposition amendment be withdrawn. The minister's absence notwithstanding, I move, with unanimous consent, that a new motion be introduced'. So much for that. Here is one small detail which is recorded on page 14251: I refused to give unanimous consent. On Wednesday, the 17th, debate got under way in good faith on the resolution of the Secretary of State for External Affairs, and on the amendment of the Official Opposition as well as on the sub-amendment of the New Democratic Party. The debate went on in good faith on Thursday.

I had drafted two speeches. I appreciate my colleagues calling to commend me for the approach I took while defending my role as a French Canadian, and I said so in French. I did not get any negative response in Quebec. I spoke about international issues. That is the speech I wanted to make instead of the other one I intended to deliver and which is written. I have it here. That one would have hurt. The House gave its unanimous consent, that tonight at 1 a.m. or earlier whenever members have spoken the question will be put, it will be accepted and the division on the sub-amendment, the amendment

and the resolution will take place tomorrow at 6 p.m. As a matter of fact, on October 9 the Minister of State for Youth had served notice that if the debate did not end he would eventually—and that is his right. He did not. But that is noted in the documents on which I worked throughout the weekend.

The debate ended Thursday night, in good faith. I went home at 4.30 Friday morning. The security staff will confirm that I went over the whole debate. They would not know whether I did, but they saw me leave my office after 4 a.m. I was satisfied that at last every member had been allowed to speak freely on a good resolution.

But on Friday the 19— You know, Mr. Speaker, I learned one thing from the hon. Claude Ryan and that is to tell the truth straight out. I can make mistakes, but I do not beat about the bush. So, between 10 and 10.30 a.m., in the absence of the people who could say otherwise, the same motion was put. This is, in essence, what was said: "Notwithstanding what has been agreed last night, unanimous consent is requested to withdraw the NDP's sub-amendment, the Official Opposition's amendment and the government's motion and to vote, next Tuesday, not on what the House has just discussed but on this new motion which was not debated."

The hon. members should read the excellent article Andrew Cohen wrote for the *Financial Post* on September 24, in which he said:

[*English*]

"Is combat role in the gulf best for Canada?"

[*Translation*]

That is what I wanted to talk about. But yet another sudden surprise prevented me from doing so.

[*English*]

I say to you, Mr. Speaker, that this is an abuse of the parliamentary process. I would even say further that it is an abuse by consent.

I regret the hon. minister responsible for the House is not here. On May 24, during the abortion debate, the hon. member for New Westminster—Burnaby tried a quick one, saying: "Let's withdraw the abortion debate." My good and esteemed friend, my good colleague and an honest man, the hon. member for Kamouraska—Rivière-du-Loup, was taken by surprise. The government

almost lost its abortion debate because of that kind of trickery.

What happened on May 25? I wish my colleague, once and for all, would read how outraged the Minister of State and Leader of the Government in the House was, as I am. He blasted the NDP for what they tried the night before. They cannot have it both ways.

Do hon. members want me to read it? I will quote, Mr. Speaker. I have been very succinct. I have worked night and day since Thursday night because I feel it is an insult to intelligence. It is not the way to conduct our affairs. We may disagree, esteemed colleagues, but let us do it in open. This is not the way to run parliamentary affairs.

The government is almost making me upset over having decided, with the greatest joy of my life, to run for this office on February 10, 1964. I still say my respect for this institution is growing every day. We do not want to bring what is going on in the Senate into this House. I know some senators will disagree, some friends and colleagues of mine. I do not wish to break all my friendships with everyone today, but this is not the way to conduct our affairs in this House.

Now, my young friend, the assistant leader, is having a lot of fun because he succeeded while someone was washing their hands on Friday and someone else was absent. Those who were interested were not here. He passed the motion that I disagreed with on Tuesday night.

I know some will say that the Liberals are fighting with each other during this debate. I am waiting for those would try to pick a quarrel with Liberals because that would not enhance the debate and that would not enhance the respect we should have for this House. How many times do I have to repeat that respect for this House, respect for the parliamentary process, and respect for our country?

[*Translation*]

That is right for our country, Canada, as I stated on Thursday evening. I said I was proud to be a French Canadian, which we are, and to be here for two main reasons. I insist, Mr. Speaker, that nobody was abusive toward me over the week end. Everyone who phoned me said: "It was a very interesting debate."

[*English*]

It was a very interesting debate. I have made my point. I do not want to go on, but I could, Mr. Speaker. I depend on you to give me guidance. I know that we can do anything by unanimous consent, but it is an abuse of the parliamentary process to proceed that way. It is an abuse by consent.

• (1520)

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I wanted to rise to address this point because I also share the sense of deep concern expressed very eloquently by the member for Saint-Denis. I think it is important that we recognize the history of this matter.

On Tuesday, October 16, there was a suggestion made by the parliamentary secretary to the government House leader, that a substitute motion to the motion that was then before the House dealing with the question of the crisis in the gulf should be put. At that time, the hon. member for Winnipeg—South Centre, speaking on behalf of the Official Opposition, and myself, speaking on behalf of the New Democratic Party, agreed in good faith to that substitution. That agreement was predicated on one very important element.

As I stated in the House, as recorded at page 14250 of *Hansard*:

> I just wanted to underline the point made by the member for Winnipeg South Centre, as well, that it is certainly our understanding that this new motion would indeed be open to amendment as its predecessor was.

It was on the basis of that understanding and that understanding alone, that on Tuesday, October 16, we did agree to allow for a substitute motion to be put.

Without going into the reasons for this, that substitute motion was not put at that time. We continued debate on Thursday well into the evening, until nearly 10 p.m., debating the motion in its original form together with the amendment of the Official Opposition and the subamendment proposed by the New Democratic Party. That was the focus of the debate. I was present for the entire course of that debate.

That was also the basis for the decision to allow the vote to be deferred by agreement to Tuesday at 6 p.m. What was being deferred very clearly was the original motion, the amendment, and the subamendment. All members left the House on Thursday evening assuming

that that was the end of the matter and that there would be a vote, in fact three votes, on Tuesday at 6 p.m.

At approximately 10.20 on Friday morning, things changed. With respect to my colleague from Saint-Denis, it is important to be very clear as to the basis for that change.

My colleague, the Whip for the New Democratic Party, was approached, not by the Parliamentary Secretary to the government House leader, but by a rather breathless deputy House leader of the Official Opposition, the member for Kingston and the Islands. That member urged my colleague, the member for Thunder Bay—Atikokan, our Whip, that the House agree to the speedy withdrawal of the original motion which was before the House and, in turn, indicated that this was the subject of the earlier agreement. My colleague, the Whip, was not present during the earlier discussions and assumed, in good faith, that in fact there would be an opportunity, as had been agreed previously, to put the amendment. On that basis he agreed, as did the Whip of the Liberal Party. That was the basis for this substitution to which the hon. member for Saint-Denis refers.

When I learned of this, and I did not learn of it until some time after the decision was made, I immediately approached my colleagues, both the Parliamentary Secretary to the government House leader and my colleague and friend, the member for Kingston and the Islands. I pointed out to him that the earlier understanding had clearly been that there would be an opportunity to vote on the subamendment, which we had put before the House.

He indicated, and I appreciate his undertaking, certainly that was his understanding.

Mr. Milliken: No, I said I did no know.

Mr. Robinson: Mr. Speaker, the member for Kingston and the Islands indicated—and if I am misstating what he said, he can certainly rise in his place—but, during my conversation with him, it was my understanding that he indicated he was not aware of the fact that it had been agreed that the subamendment would be put as part of an earlier package. I think that is a fair summary of what the member has said.

I have subsequently discussed this matter again with the Parliamentary Secretary to the government House leader. He has indicated that he is in fact prepared to allow the subamendment to be put to the House. I would certainly hope, and I assume that the member for Saint-Denis would share my view, that the Official Opposition as well would agree to that which was in fact the original understanding.

The final point that I wanted to make, Mr. Speaker, is this. I did consult this morning first thing with the Deputy Clerk who was very helpful. She indicated that of course the House is the master of its own proceedings and, if the House wishes to proceed by unanimous consent, it can do so. I want to emphasize the profound danger of this approach when the House has agreed to defer a vote following debate on a particular item then, whether by unanimous consent or otherwise, to change the nature of that vote after debate has concluded is very dangerous. Again, I recognize that, while it may be procedurally in order, I would certainly hope that this is not something which will ever be repeated in the House again.

Mr. Speaker: The hon. member for Saint-Denis, who is one of the most senior members here, has risen on a matter and is supported by the hon. member for Burnaby—Kingsway on matter which I think is very serious indeed. I think it is serious because debate took place on a motion, the vote was deferred and hon. members expected to be voting on the motion that was debated. For reasons that we do not need to go into, by consent, the motion was changed. That means that hon. members will go to vote on a different motion than that which was debated. I very much regret this.

The hon. member for Saint-Denis has said that an abuse of Parliament by consent is just as much an abuse. We are at a time when the country is watching this institution very closely. Much of what the country sees, it is not happy with. All of us are going to have to make a much greater effort to give an example that is in keeping with the great traditions of this place, in keeping with the history of it, and in keeping with what I think most of us want this place to be in the hearts and minds of Canadians.

The hon. member for Burnaby—Kingsway has stated correctly that the House can by consent do what it wishes. The reason that that is so is because ultimately this is the place where the people of Canada have sent all of us to do what we think is in the best interest of the country. If the House agrees and there is consent, then no matter what other rules we may have or whatever

customs we may have, we can abridge those to do what the whole House consents to do.

There may have been, and there may well be, sound reasons under the circumstances where it was felt by some that it may have been in the national interest to change the motion. I do not want to get into that side of the debate. What I have to say to hon. members is that, in my view, what happened was improper and an abuse. I am not in a position to change it, but I view it as a very serious matter. However, I want members to know, and I want the public to know, that it was done by consent and we are now all bound by it. I would hope that not again for a long, long time, if ever, would hon. members, such as the hon. member for Saint-Denis, the hon. member for Burnaby—Kingsway, or others, have to rise to complain about an event which, while procedurally proper because of the consent, in my opinion, ought not to have happened.

• (1530)

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I apologize. You rose, and I simply wanted to comment on what the Chair and my colleagues just said.

Friday, unfortunately, I was in the House as well. I was called to the telephone, so I had to leave for a few minutes. However, I must admit we had been told the same vote would be taken Tuesday on the amendment, the sub-amendment and the main motion. I understand, Mr. Speaker, that the House made its decision and I also understand your comments. I feel it is inappropriate for the House to proceed in this manner, and I wish we could reconsider.

[*English*]

Mr. Speaker: I have other points of order. I am aware of them and will deal with them as I can. I think in deference to the hon. member for Calgary West and maybe another member, we should proceed.

* * *

PRIVILEGE

HOUSE LEADER OF THE NEW DEMOCRATIC PARTY

Mr. Jim Hawkes (Calgary West): Mr. Speaker, the point of order just concluded is of some interest to me, both in the fact that it was argued before the question of privilege and that it would indicate your personal sense of importance about it. Your comments in conclusion are in reality a reflection on the leadership of the House that was present on Friday and the leadership of the House officers charged with certain responsibilities in the Chamber which, in part at least, is an essential element of the question of privilege about which I wish to speak.

I want to say thank you, Mr. Speaker, for your good offices in bringing the hon. member for Kamloops and myself together for close to one and a half hours just prior to the commencement of Question Period.

The meeting came to no conclusions other than the conclusion that we could share with the House so that all members would be aware that we had met and met under your auspices, seeking perhaps, Mr. Speaker, to reach a solution to the considerable tension between us.

As we are both House officers in this place and both members of the Board of Internal Economy, I as chief government Whip and he as House leader for the New Democratic Party, it does not serve this institution well for that level of tension to continue. It does not facilitate our responsibilities in terms of the Board of Internal Economy and our responsibilities to govern the House in terms of its budgets, facilities, and so on and does not serve us well to have this level of tension between us in terms of ordering the business of the House, which is part of our daily existence.

I would like to signal at this time that, provided my right to continue this point of privilege is protected, I would be willing to continue with the hon. member for Kamloops, under your auspices, a series of discussions to see if we could resolve most, if not all, of the matters that lie between us in what might be the best interests of the House, its management and the importance of this democratic institution. It would have to be done on the understanding that the both of us would cease talking to the press in the interim until we had either agreed to disagree once again in public, or to agree that we could resolve the issue and are prepared to share with the House and the Canadian people the results of that resolution.

That would be sort of the one precondition. I have tried to be patient for close to 10 days now on what I take to be some very important matters. I have not always succeeded. I have talked to some press people in the interval. Maybe when I hear some of those words reported back to me I will not feel as good about saying

them as I did when I said them in the heat of anger and in the heat of the moment.

I felt a deep sense of anger on October 11 because I felt we had reached collectively such a firm understanding and such an important understanding about dealing with something very important.

When we open the Parliament of Canada Act, it is the one piece of legislation that in statute form sets us all apart from everybody else in society. It is a piece of legislation that deals only with the Parliament of Canada and the parliamentarians who serve either in the Senate or in the House.

We are unavoidably and inescapably involved in a question of conflict of interest from the moment we start until the moment we conclude our business. Those of us who serve on an actual committee, given that responsibility on behalf of the other members of the Chamber, feel that pressure more perhaps than do all members.

In the final analysis, we have to vote in an atmosphere where we have that conflict because the act itself determines how we are to be governed. The act itself talks about our financial compensation, our use of resources and all of these things.

It is something that I felt we had collectively agreed to work on collectively, which is a slow process. Sometimes if governments are supposed to be responsible for something, they can do it more quickly. When we are trying to reach 100 per cent consensus in this place with 295 potential people in the House of Commons and ultimately with the Senate on something as central to our existence as that act and its relationship to the reputation of our institution, it is something we should be very careful about making comments.

These are comments which any of us believe to be untrue, on any side of this House, and which reflect discredit on individuals and ultimately on this institution. In that atmosphere, they are very serious indeed.

If the delay in arguing this question of privilege could perhaps accomplish a return to the tracks of all the members of this House in bringing about a successful resolution of these matters on behalf of the Canadian people in this democratic institution, I for one am prepared to be a little patient, provided that the war does not continue either inside or outside the Chamber, in terms of talking about it, until we have either agreed to disagree or agreed that we have something to agree to.

I would just like a response to that. Mr. Speaker, if you are willing to have an answer to that and if there is a preference to proceed at this time, I am quite prepared to do that.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am not certain what the hon. member for Calgary West was referring to in a number of those questions, but I want to make very clear that regarding the opening of the Parliament of Canada Act in an effort to resolve some concerns that members and other have, we have indicated from the very beginning an interest in co-operating as much as humanly possible and working together as a team in an effort to resolve this issue.

I want to say that at this moment, that same motive exists and hopefully will exist into the future. I have discussed this matter in the last hour with our one representative on the committee, and I can only say that he indicated an enthusiasm in continuing working in a co-operative effort to resolve what is obviously a concern of members of Parliament in a way that we can all support, hopefully a consensus of agreement, and that is our goal.

I want to preface my remarks by saying that at the outset. Also, I want to say that over the past number of days my friend, the member for Calgary West, has made a series of allegations and has claimed that my behaviour personally has infringed on his privileges as a member of Parliament. He has condemned me both on the record in the House as well as in the committee.

• (1540)

With the indulgence of the Chair, I would like to reply to at least some of his comments in the following way.

I think it is only fair that having heard from my hon. friend, the government Whip, for nearly half an hour of House time, that I be permitted at least a few moments to respond to the allegations that he has made. I will briefly summarize my understanding of the hon. member's concerns and I would like to address each of them briefly, yet separately.

If the hon. member for Calgary West or any other members of the House have other concerns or charges they wish to make, I will deal with them afterward, but I hope there will come a time when the members of the government front bench cease from this and, in fact, to reflect his own words, that we develop a sense of civility once known in this House and get on with the business of the country as people expect us to do.

The member for Calgary West made the following allegations: He said that I infringed the privileges of other members of this House when I criticized the committee report on Bill C-79, an act to amend the Parliament of Canada Act, before the report had been made to the House.

He also said that I made a series of false statements concerning this bill. Among those allegedly false statements were the following: The member said that I was wrong in saying that the government used its majority in committee to reject the opposition amendments to sections 52.8 of Bill C-59. That particular section, Mr. Speaker, is something that has been called the tip-off clause. It says: "No criminal process may be applied for, issued or proceeded with unless the applicant for the criminal process has requested and obtained from the board an opinion concerning the use on which the offence is based".

The government Whip also said I infringed his privileges or was contemptuous of—

Mr. Speaker: I think the hon. member for Calgary West wants to say something about keeping the record straight. I will hear him very briefly.

Mr. Hawkes: Mr. Speaker, if we are entering into the points of privilege which I intend to raise, I caution the House that I think it is my right to raise those first.

On the specific point for which I interrupted, I have attended many legislative committees on clause-by-clause review of bills. The clause is a great deal larger than the part of the quote that was just read into the record. For instance, the clause as he read it was the committee's clause of the fourth report which the House endorsed unanimously, including the House leader of the New Democratic Party. But Bill C-79, when it came back from cabinet had a definitional section of that clause which restricted the words "criminal process' to what in effect are court processes and have nothing to do with investigations, but simply with evidence that must be provided before a court. Those courts are in place in our criminal process to protect all of us from the potential abuse of police authority.

If the hon. member wants at this point to enter a part of that total clause on the record, I think we should, to make sure there is no misunderstanding, put the total clause on the record, including that part of the clause that restricts the words "criminal process" in statute form, to what are in effect six court processes. I am sure his former justice critic sitting behind him would know that they are viewed in our kind of society as essential protections for individuals.

Partial information to the Chamber is not going to be helpful in resolving this issue because it may be in fact the source of the difficulty. It should be complete information, Mr. Speaker, if you are allowing him to head in that direction.

Mr. Speaker: Perhaps I can help the two hon. members whom I think are trying to help the Chair. The hon. member for Calgary West has made a tentative suggestion or offer that these differences could be discussed further, after the discussion that took place today in my chambers.

The hon. member for Calgary West has tried to indicate that perhaps some of the things he said, if he had to say them over again, might be said in a different way.

The hon. member for Kamloops in responding is, I think, trying to make clear to his colleagues and to the House that among a number of specific things that were said, he stands in disagreement. I am not sure that we necessarily need to be debating the sections of the bill here.

If it would help in clarification, perhaps the hon. member for Kamloops, if he agrees with the information which the hon. member for Calgary West just gave to the House, could accept that as part of the factual presentation. Of course I am going to let the hon. member for Kamloops proceed at least for a few more minutes. I hope that he would be able without going on too long to meet, for my information, the suggestion that the hon. member for Calgary West has put forward.

I should make it very clear that while I attended a meeting with both hon. members this morning, it was a lengthy meeting, that meeting was asked for by one of the members. If I can be helpful, I would be more than prepared to carry on attending a continuation of that meeting in the interests of resolving these difficulties, as

the hon. member for Kamloops said and others have said, in a civil way.

I will hear the hon. member for Kamloops for a few minutes so that I can get a sense of where it is going. I will come back to the member for Calgary West. If there cannot be some arrangement to continue the discussions, a continuation might be helpful. The hon. member for Calgary West has all his rights under his question of privilege.

Mr. Riis: Mr. Speaker, I think your intervention is appropriate. I read from both the committee report and the proposed legislation. I accept in part what the hon. member for Calgary West has indicated, but only in part. Obviously there are obvious areas of either disagreement or areas requiring further clarification. I do not think this is the place to get into the nuances of Bill C-79. We have a committee that is struck especially for that purpose. It has done an incredible amount of work to date. I hope that that committee will continue in that same spirit.

Considering some of the allegations my hon. friend has levied at me, I feel some obligation on behalf of my constituents to respond. I plan to do that briefly and concisely. I will simply leave the continuation of a comment on section 52.8.

Mr. Hawkes: Mr. Speaker, I am sorry to interrupt. Could the hon. member provide us with his reference for those allegations? Some of them that he has mentioned so far are in my question of privilege which I have not delivered yet. I am not sure where the allegations have been made. It may be that I did make them on radio or in some other place. If he could do the courtesy of letting me know where I made those allegations so that I could look at the full text, I would appreciate it.

Mr. Speaker: It might help the Chair and the House if the hon. member for Kamloops were to summarize what he thinks is the gist of the allegations and express what I am sure he is going to express, that is that he is in disagreement with the hon. member for Calgary West with respect to those.

That is quite obvious to all of us. I certainly will allow him to get that on the record. If there is going to be some further discussion with the idea of trying to resolve this in a careful way, I do not know how much need there is to be absolutely specific. I will hear the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, to help my hon. friend, on October 12 he spoke for about a quarter of an hour about the various allegations. It is from that source in *Hansard* where I take most of my comments in terms of his utterances. I do not know if he made other comments publicly or not.

I will simply say that the Whip in those proceedings suggested I infringed his privileges or was contemptuous of the House when I said that: "The government insisted on that clause in response to pressure from its Quebec caucus." Similarly, he objects to the statement attributed to me in the press that the majority of politicians who are the subject of the investigations which prompted the introduction of Bill C-79 came from the province of Quebec.

The member for Calgary West also alleges that I have established a consistent pattern of undermining the work of the Board of Internal Economy by speaking publicly about matters which are the subject of discussion in the board. At the outset, I would like to comment that the Bill C-79 committee met and made its decision in public. The committee has yet to report to the House. For the member to suggest that we should refrain from commenting on the committee's deliberations until a transcript is published and the bill is reported to the House demonstrates what I suspect is a lack of respect for the public comment on these important public issues.

• (1550)

Let me first deal with his allegation that I am wrong in saying that the government has a majority on the special committee on the review of the Parliament of Canada Act. What was reported in *The Kamloops Daily News* was that "The Conservatives have with the Bloc Quebecois voted to place MPs above the law". That is essentially what I was saying. Mr. Fife, in *The Ottawa Sun*, reported: "Riis attacked the Tories yesterday for using their majority on a Commons committee".

What was alleged was that my hon. friend, the hon. member for Calgary West, said in the House on Friday, October 12, as reported at page 14106 of *Hansard*, and I quote:

> He says things that are simply not true.

> There is a reference in one article—that came out of the paper yesterday about the government having a majority on the committee. The government does not. People who are not supporters of the government represent four votes on the committee and supporters of the government represent three.

The fact is that the committee was struck with eight members, five representing the government, two from the Official Opposition, and one from the New Democratic Party. Because one of the members on the committee now defected from the government ranks and now sits as an independent, the current membership list shows that four members of the committee are Conservative caucus members. Four of the eight may not be a majority, in the Whip's eyes, but it certainly is no minority. I would suggest that in fact the government still controls five seats on that committee and that the independent member holds a seat at the pleasure of the government Whip. After all, as is well known, it is the Whips who have the power to send in a form and replace any member of a legislative or special committee.

I would suggest that the Speaker may rule that the government Whip could replace the member who was on the committee with the simple stroke of a pen; but he need not because in this instance that member supported the government. In this case the government most certainly had an effective majority of the committee.

The government Whip's next allegation is equally easily dispensed with. He says that I impugned the government by saying that it insisted on this version of Bill C-79, in response to pressure from its Quebec caucus. In fact his exact words taken from *Hansard* of October 12, at page 14107, are and I quote:

> —the member says things about the motivation of members who cast a ballot in committee—
>
> For the member for Kamloops to be out and about impugning the motivation of the members of this committee, the officers of this House, is a dastardly deed.

What was reported, Mr. Speaker, in *The Ottawa Citizen* of October 11, 1990 was, and I quote: "The NDP Whip charged that Prime Minister Brian Mulroney had insisted on the clause requiring the RCMP to check before beginning investigations on the Hill in order to try to keep his Quebec caucus intact, earlier this year".

The facts are as follows: it was widely reported earlier this year that the pressure for this bill was coming from the Quebec caucus of the Conservative Party. I have a series of press clippings, copies of which I will send over to my hon. colleagues if they are interested, which demonstrate the wide coverage of the special interest of the Quebec caucus in this measure.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I just want to clarify. Is the hon. member up on his own question of privilege or is he responding to certain allegations which have been alleged to have been made by a member opposite? I am just not certain that I am following.

I thought the hon. member was going to raise a question of privilege. I did not hear his case but now I hear, I think, a rebuttal. It is uncertain for me as to what the procedure is here. In view of comments that have been made maybe it is well in order for the hon. member to be proceeding, but I am at a loss; I do not know. Is this a reverse question of privilege or what is it?

Mr. Speaker: I will hear the hon. member for Calgary West in a moment.

The hon. member for Calgary West has in effect put a suggestion forward. The hon. member for Kamloops is tending to respond, seriatim, to a number of statements which he says the hon. member for Calgary West has made. I can understand that, but the difficulty we are getting into, to which I think the hon. member for Cape Breton—East Richmond is alluding, is that we still have an unfinished argument by the hon. member for Calgary West. The question of privilege which is before the House is the question of privilege of the hon. member for Calgary West. The hon. member for Kamloops has not filed a cross question of privilege, although he might deal with his own objections and concerns in the argument as he is already doing.

I do not want to cut off the hon. member for Kamloops if there is any hope at all of having further discussions between the two hon. members. My worry is that the longer we go on maybe the chance or possibility of the two hon. members being able to work out their differences, or at least some of them, and with dignity being able to let us know where it is not possible to work out some other differences may diminish if we get into too much debate at this time.

I am wondering if at this time in order to keep the procedure tidy—and I am indebted to the hon. member for Cape Breton—East Richmond for raising the point; it has been concerning me for the last few minutes—the hon. member for Kamloops could give the Chair any indication as to whether and under what circumstances he might be able to postpone this matter in the Chamber

and carry on the discussions which commenced this morning.

Mr. Riis: Mr. Speaker, my hon. friend from Cape Breton—East Richmond raised an interesting point. I was beginning to wonder whether or not I was beginning to initiate my own question of privilege in terms of the personal attacks that the government Whip had made on October 12; I suppose in a sense a reverse question of privilege. I do not want to pursue that.

My point was simply to respond to some of the very personal attacks that I had experienced coming from, to be precise, the government Whip, the hon. member for Calgary West.

We have had discussion. We have two opportunities. Presumably, in the personal attacks by my hon. friend, he had not finished those. We are at a point where we can continue to hear those personal attacks and allow me to respond in total as opposed to only part of them, which I was attempting to do now, or set aside these personal attacks. I do want to respond to the personal attacks at some point.

The other matter concerning Bill C-79 is relatively straightforward. I think all parties have indicated an interest to pursue it and resolve it as quickly as possible. What I am talking about, just on a very personal level, is that these are not attacks against the New Democratic Party or against the opposition. They were personal attacks against myself, levied by a single person from the government benches.

I simply want a right at some point to respond in some detail to what I call another disgusting performance. If the hon. member wants to continue with that performance now, he can do so. If he wants to set it aside while we maybe discuss some aspects of Bill C-79, I am quite prepared to do that; but I do want an opportunity, either now or later in the day after further attacks or at some later date, at least to respond to the allegations the hon. member has made of me.

Mr. Hawkes: Mr. Speaker, what I am after in my question of privilege is the referral of the matter to the Standing Committee on Privileges and Elections for a report back to the House, because I think the attacks on members of the committee themselves, including myself, made by the member for Kamloops about Tory members and cabinet generally are of a nature that they pass well beyond the bounds of reasonable criticism, that they are indeed false, and that they indeed bring damage to the reputation of individuals, to members of the House, and to the House itself.

I would be quite happy to give you the assurance, Mr. Speaker, that members on this side of the House would give unanimous consent for such a motion to be moved and the subject matter sent to the committee, including, if he likes, a subset on the supposed slanderous behaviour of the chief government Whip, myself, in relationship to personal attacks on the member.

I am quite willing to have a committee of my peers examine my comments, each and every single one of them, within the context of a total evidentiary picture to determine whether those comments were justified or were not justified. I think people out there in the community would have some difficulty following what are supposed to be my allegations without page numbers and episodes in *Hansard* and so on.

• (1600)

The question of privilege I wish to bring forward is reasonably well documented in terms of exact pieces of paper, which I will put in your possession showing exact pages and exact procedural documents and so on. I do not think that this is the kind of an issue, given the importance of the subject matter and its implications for the reputation of this institution, where we can get by with sloppy research and sloppy half truths.

Sitting here listening to it, I throw out for consideration the possibility of unanimous consent but I am nervous about it. Perhaps in the next half hour we could agree on a motion to refer the matter to committee involving the independents in the House and the leadership of the Liberal Party. Maybe we could bring forward a motion that we refer the subject matter of this entire problem to that committee. I would think members on my side of the House would be willing to support that, even though I have given up the opportunity to lay the whole matter out before the Canadian public in *Hansard* in some detail.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I would not want to pre-judge the decision that you may make or this House may make in terms of the appropriateness of sending any matter to committee for further discussion.

I would wish to point out to you, Sir, that it would be totally unfair for such a matter to be referred out of this House until my House leader, the hon. member for Kamloops, has had an opportunity to at least take as much House time in responding as the government Whip did in attacking him.

Mr. Speaker: The hon. member for Calgary West has made an offer. That offer amounts to simply this, that we adjourn this discussion with all rights retained and the hon. members go away, or come to my chambers, and continue the discussion of this morning.

It is not for me to tell hon. members what to do, but it might be helpful. It would be done on the basis that both the hon. member for Calgary West and the hon. member for Kamloops return to this Chamber if they cannot agree on some sort of accommodation between them.

There are really two issues here. One is the question of Bill C-79 and the work of that committee. The other is the general complaint by the member for Calgary West that there are times and places in the working of this House where hon. members have to be very careful what they say because of information which they may have gathered in either confidential or quasi-confidential places.

It seems to me not particularly helpful to debate Bill C-79 this afternoon unless it is only mentioned in order to support or to refute the question of privilege. But there is here a matter of importance to the House, to both the hon. members, and to probably other hon. members. There are two ways to proceed now.

Mr. Dingwall: Point of order, Mr. Speaker.

Mr. Speaker: Perhaps I could continue and I will certainly hear the hon. member.

There may be three ways to proceed at this moment. One, we can continue the question of privilege. To do that I would, of course, go back to the hon. member for Calgary West. The second is to pick up the offer and adjourn the matter with all rights retained and to have some discussion to see if some resolution in a civil way could be reached. The third is the possibility that if the House wished, by consent, to put the whole matter over to a committee, at which place the matter could be pursued in front of a—if I could put it this way—a committee of the peers of the two members.

That is where we are. I of course want to be helpful if I can.

Mr. Dingwall: Mr. Speaker, the suggestion or the offer made by the hon. member for Calgary West is a reasoned one, as are the comments which have been made with, I believe, genuine sincerity by the House leader of the New Democratic Party, both on the substance with regards to Bill C-79, as well as comments which he alleges have been referred to him personally, I think are serious and require either some airing at some point or after an adjudication.

But perhaps the musings of the Speaker may be appropriate in resolving this matter. Further discussions should take place with the caveat clearly understood by the hon. member for Calgary West, as well as the the House leader for the New Democratic Party, that all the rights are retained so that if they wish to pursue other courses of action on the completion of their discussion, they would have that right.

It would seem, Mr. Speaker, in the interest of not only those hon. members but in the interest of the institution which is so important to us all, that we would want to proceed with caution and reason. We would like to have an airing of the matter in a way which is tasteful to all individuals, making certain that their rights in this institution are not infringed upon in any way.

Your suggestion, Mr. Speaker, that the matter be adjourned for further discussions with you in your chamber, from my perspective as a deputy House leader of this party, may be the fairest way to proceed at this time.

I take no issue with any of the sentiments which have been expressed by the House leader of the New Democratic Party, or the hon. member for Calgary West.

Mr. Murphy: Mr. Speaker, I want to be fairly brief, but I do want to make a few points at this time with regard to the suggestion made by the member for Calgary West and reiterated as one of the possibilities to which you yourself alluded. That is that the matter not be judged by

you at this time, and then possibly sent to a committee, but that it be sent to a committee directly.

I think that before any member of this House chooses that route, they should consider what we are dealing with at the present time. We have a number of charges that were half made by the chief government Whip since October 12, both in this House on more than one occasion, but also in front of the committee. I understand charges were made at times when the member for Kamloops, the House leader of the New Democratic, was not here.

The problem is if we send this matter to the committee, this committee has a Conservative majority. The Conservative majority is appointed by the government Whip. Substitution in many ways is the responsibility of that same Whip. Permanent membership on that committee is the responsibility of that Whip.

Other privileges of the Conservative members on that committee, whether it is trips abroad or other assignments, is the responsibility of that Whip. I would suggest, Mr. Speaker, without making any reference to the motivation of the chief government Whip, that this particular committee would not be perceived in any way, shape or form as an impartial panel that would listen to both members and be perceived by the public, or anybody else, as a body that could truly, impartially judge the facts, the motivations and the activities of the two members.

On that point, I do not believe that this is an option by which any member in this House can abide. I believe that it is possible for the two members to resolve some of their differences outside this Chamber and I think that that might be the approach that should be followed.

I think all of us have learned a lesson on what has happened since October 12 on this issue. I think this is an important lesson because the whole purpose of the Special Committee on the Parliament of Canada Act was to make sure that members did not find their names out in public, allegations made without them having a chance to defend themselves or without people understanding what the rules and regulations of the House of Commons are.

• (1610)

What I find interesting is that we seem to be going through that same exercise within the House as a result of our procedures and because the member for Kamloops had business elsewhere. We had on a continuous basis from October 12 until last Thursday the chief government Whip getting up in this House or in committee and starting on his process of making charges and always ending by saying, "But I won't raise those issues here. I will deal with them when the member gets back".

However, the damage was done. The charges were, if not made, at least alluded to. There was some damage done to the reputation of the member for Kamloops. That member has never had an opportunity in the House or in the committee to respond. That is the problem. To say, "Let us have peace now, the member for Kamloops should keep quiet, should not go to the press and we will resolve this outside the Chamber or inside the Speaker's office or by getting together over a beer" does not resolve the problem in many ways. The allegations were made.

It is like charging someone, a member of this House, with misspending his budget, or saying he has hired his own relations or friends of his family for jobs that should not be done. Once the charge is made, the damage is done.

I think that if the chief government Whip considers what he has said in this House about the member for Kamloops, what he has said in the committee about the member for Kamloops, he would recognize that he has engaged in the same sort of exercise that the committee was established in the first place to try to prevent.

I am quite willing to see the two members go out and see if they can resolve the issue quietly, but at the same time I think it is a lesson for all of us that if we are going to get up here and make charges against one of our fellow members, then we should at least expect those people to have the right to reply.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, we may be getting somewhere. I accept totally the comment that once the charge is made, the damage is done. Forty-five minutes after the committee meeting on October 10, charges were starting to be made about my behaviour and the behaviour of my colleagues and the damage was done. They were printed on October 11.

In this House in an S. O. 31 on October 11 charges were made and the damage was done. The charges are false. I believe they were known to be false but some rhetoric crept in, that people can use rhetoric in this place—

Some hon. members: Order.

Mr. Speaker: Can I say something? We may be able to find a way to resolve this but I would urge that we do not make more charges at least while we are discussing what we are going to do with this thing. The hon. member for Calgary West.

Mr. Hawkes: Mr. Speaker, it might be helpful to us if you were to rise and say that you asked me to delay because I felt that as a charge, that I had asked for delay for the last 10 days. In fact, I think I was starting to present my question of privilege and you rose, and the record will show that the Speaker of the House asked me to delay until the member for Kamloops returned. I think the record will show that the Speaker asked to be notified when the member for Kamloops could be here. The record will show that I rose daily to ask if we had had word and I did acknowledge that, in a corridor I had heard from one staff person that the member for Kamloops would be in Ottawa probably late Thursday evening, but tried to get it on the record so that I could prepare and plan to be present. This is what has been happening.

I want to assure the House that if this item is referred to committee, I will have nothing to do with the choice of committee members. To believe that I would be involved in a conflict of interest of that kind, that I had a hand in the picking of the jurors, if you like, of a trial in which I was involved, is really to provide you, Mr. Speaker, with concrete proof that these allegations that are floating around are interfering with my capacity to serve my functions on behalf of this Chamber.

The very fact that it was raised on the floor that I, as chief government whip—and it was raised earlier in a different context—could have substituted somebody on the special parliamentary committee, and I chose not to because it has never been the intention of the government to dominate the committee. It has always been the intention to try to achieve 100 per cent consensus on everything that we have done for months.

To raise the issue that I, as chief government whip—and the context in which it was raised is essentially threatening the independent member—will, if they do not behave and vote the way I want them to vote, replace them is the context. There is a totally different construction. This is that I, as whip, had an opportunity to make sure that the government dominated the committee and I had not taken that opportunity.

It is a committee which agreed to function in a non-partisan fashion. When one leaves a non-partisan meeting and there is a press conference 45 minutes later slamming part of that consensus, one is in trouble.

Mr. Speaker: The hon. member is helping by continually repeating the very thing that has caused a lot of the anguish here.

The hon. member has risen and said that he ought not to be accused of attacking a committee. I do not think that is really the issue that I have in front of me.

I might say so that members understand, on a question of privilege, after there has been debate, it is for the Speaker to decide not the final issue, but only if there is a *prima facie* case. Then, if the Speaker decides there is a *prima facie* case, the matter goes to the House, this Chamber, and the matter can be debated and can be debated for a long time. Eventually, the House decides whether it goes to committee. When it then gets to committee—and what the House has then said is it thinks there is enough reason to put it into a committee—the whole matter will be heard by committee members and the committee will finally make up its mind. That is where the final decision is made.

In any of these questions of privilege, if I decide it is a *prima facie* case and if the House decides that it go to committee, those committees are invariably lopsided in the sense that a majority will come from the government side because that is just the nature of the thing. One would have to hope that, whether or not the committee has a majority on the government side, they would understand that they are sitting in judgment of their peers and would behave accordingly. That is what one would hope they would do.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am sure if anyone is watching this performance or is listening in on this, it must confirm every suspicion they have ever had about this place. Here we are, hour after hour, costing taxpayers unbelievable amounts of money, and I

do not know if we have made any progress at all. But, let us try to resolve this.

First, I will say there is no question that in terms of dealing with this piece of legislation, the Parliament of Canada Act and revisions to it, Bill C-79, I have heard time and time again that we all want to resolve it, so let us get on and resolve it. I pledge on behalf of my colleagues a willingness and a keenness to do that. We will get on with it. The same from the Official Opposition, and I suspect from the government benches as well. So, let us set that aside. We will deal with that as expeditiously and as quickly as possible. It is a difficult task, and it is already in process, I understand.

The other matter is these personal accusations. I never referred to my hon. friend from Calgary West, as a matter of fact, I did not even know the name of his riding, so I could not have done that very well. I had concerns about what appeared to be what the Conservatives are doing on a committee. Those are my public comments, the Conservatives on the committee. It was not non-political or non-partisan, the overwhelming majority were Conservatives, some Liberals, and other New Democrats.

Mr. Hawkes: That's not true.

Mr. Riis: Well, Mr. Speaker, in other words, the parties were not equally represented. The largest group was from the Conservative Party. So, I presume that is why I said it seemed like the Conservatives were doing this because the two of the three opposition parties were working together.

• (1620)

Set that aside, Mr. Speaker. Surely to goodness we can deal with that.

On the other matter of personal attacks, all I said is that I want an opportunity to respond to what I perceive to be personal attacks in terms of my integrity in my work as a member of Parliament, in the House, in committee, and beyond.

Let us drop this, Mr. Speaker. If my hon. friend wishes to retract the allegations, we will leave it and get on with the matter of C-79. If he does not want to retract what are personal attacks, then I do not see any way around it. He must go on and make the accusations, and I will respond, and then in your judgment you will decide whether there is a *prima facie* case of privilege. If you do, then it goes on to a vote; if you do not, that is the end of it.

I appeal to my hon. friend. For people watching this, what are they thinking? For people who have to sit through attacks and counter-attacks back and forth, is this what the House of Commons has become? I appeal to my hon. friend. Simply withdraw the allegations to allow us to get on to do the work that, as members of Parliament, we were elected to do.

Mr. Hawkes: Mr. Speaker, I am searching for the allegations the member made in the House on October 11, and I want to ask him if he will withdraw those first. Can I read them, Mr. Speaker, so that all Canadians can understand them?

Mr. Speaker: Just a moment. I will hear them if I have to.

Both members, of course, could rise in the House and say that, if anything they said has caused distress to the other and are unfair allegations, they would wish that they were withdrawn and that they will get on with the business of trying to work together, as in fact they have to do given their positions on committees and on the Board of Internal Economy. That would resolve the matter. It would not be that difficult, but it is not for me to say what hon. members are prepared to do.

In the interest of not tearing this place apart hour after hour with allegations and cross-allegations, denunciations, and other things, that is clearly an option. It might be the most sensible thing to do, but that is up to both hon. members and their colleagues.

In the meantime, I am getting to the point where I feel that the tentative offer of the member for Calgary West is not being acted upon for whatever reason at the moment and to discuss whether or not that offer could be taken up, which is simply to adjourn this matter for the moment, with all rights reserved, and the two hon. members meet again either in the Speaker's Chambers or by themselves, to see if there is some honourable way to resolve this.

That is the issue that I want answered and, if it is not possible to do that, then I think both hon. members will have to say it is not possible. We will then revert to the question of privilege and we will probably have to listen to a great deal of debate on who said what to whom and about whom, but that is what happens in questions of privilege. Ultimately, I will have to decide whether there is a *prima facie* case of breach of privilege. If I do, I put it

to the House as I said. If the House agrees, it sends it to committee. The hon. member for Kamloops.

Mr. Riis: Thank you, Mr. Speaker. In the spirit of your suggestions, let me respond to what I think was an offer by my hon. friend the government Whip and hon. member for Calgary West. He referred to a statement I made in the House and some comments I made in that statement. He suggested that if I would consider withdrawing those comments, that he would then consider withdrawing the allegations he made against me personally.

Let me read this, Mr. Speaker, and then I have a comment I would like to make. I think it is worth repeating.

> Mr. Speaker, this morning Canadians awoke to the news that Conservatives want to be above the law. Yesterday—

An hon. member: No.

An hon. member: You're just throwing gas on the fire.

Mr. Riis: I'm coming to a resolution, Mr. Speaker.

> Yesterday the Tories used their majority muscle in a legislative committee to force through changes in the law which govern MPs and Senators. They want to be tipped off to any RCMP criminal investigations into their parliamentary affairs.
>
> In other words, the Conservatives are creating a two-tiered justice system—one level for Tory MPs and another for ordinary Canadians.
>
> Earlier this year, the Minister of Justice said there could only be one law for Canadians. She told the House: "We cannot pick and choose when we want to apply the law and we cannot pick and choose which laws we want to obey". A few weeks later her colleagues are looking for special laws for Tory MPs.
>
> There seem to be—

Well, it goes on and on.

If it will facilitate resolving this issue, I will withdraw these comments.

Mr. Hawkes: I will withdraw any one of the comments I made that he would like me to withdraw, then we could move to the next one. There is a series that occurred outside the House that is equal or of more concern in terms of accusations. That is what I thought if we were to delay, we could resolve.

I am willing to withdraw some things I said. Okay? What this does, I think, Mr. Speaker, is withdraw the allegation that Tories want to be tipped off to any RCMP criminal investigations into their parliamentary affairs. It is my conviction that we have never wanted that. The charge that we did want that was extremely serious—

Mr. Speaker: I wonder if the hon. member for Calgary West would take his chair.

Now, both members have indicated that, subject to a little bit of discussion with respect to which statements are to be withdrawn, they would be prepared to move seriatim through them. The hon. member for Kamloops has just taken a serious issue and has said, "I withdraw that".

It seems to me that if we exercised a little bit of good sense here, this matter could be adjourned while the two hon. members decide what other retractions they might make, because in the interest of this place the two of them have to work together on committees and, as I say, especially the board.

Mr. Riis: Mr. Speaker, I really seek your guidance. I understood clearly from what my hon. friend, the government whip, said and I suggested that if he was to withdraw the allegations he has levied against me, then I would be prepared to move on it, accept that, and discuss our concerns regarding Bill C-79, which are very serious.

He then rose and said: "I will consider that if my hon. friend would withdraw his comments that he made in this House on October 11." Hearing his offer, I stood in good faith and in the best interest of this institution and withdrew those remarks. Now surely my hon. friend can live up to his half of the bargain and withdraw the allegations. If he does that, the matter is settled and we get on with resolving the issue. Mr. Speaker, I have just withdrawn those comments to enable this issue to be resolved. I ask my hon. friend to do the honourable thing and do the same.

Mr. Hawkes: Mr. Speaker, if the the hon. member is talking about the allegations I made in the House, I will withdraw them. Okay? There are some very serious allegations about the behaviour of myself, the committee members, and my members, that were made outside the House, at the 6.45 press conference on October 10 and

carried on October 11. They have led, Mr. Speaker, to editorials and so on that would bring the House into serious disrepute.

I will throw another one that bothers me the most, the one that police forces—

Mr. Speaker: The hon. member continues to try to argue the case, rather than meet the issue as to whether or not we can resolve this in a civil way by adjourning at this time and sorting out where there could be agreement and where there must remain disagreement. That is an option. It might make a lot of sense. But we cannot keep arguing every one of the allegations and going through them seriatim in this Chamber.

The sensible thing to do would be if the two hon. members are prepared to sit down together and say: "All right, maybe we can fix this up and live together. Maybe we come out with a statement that will at least preserve our own positions without offending others." Surely, that is something that can be worked out. I do not think it can be worked out on the floor of the House, although I think the House has exercised extraordinary patience for the last number of minutes. Perhaps, also, so has the Chair.

• (1630)

I put the suggestion to hon. members that the two of them agree to adjourn this matter, meet and see whether they can resolve it.

Mr. Hawkes: Mr. Speaker, I am quite willing to do that. I would hope we would not talk to the press in the interlude.

Mr. Riis: Mr. Speaker, I think I made my point clear. I have withdrawn the comments that I made in this House that in a sense summarize the comments made.

If my hon. friend is not prepared to withdraw the personal attacks and allegations upon me, then I say to him: If he wants to attack me personally, he ought to do that now.

Mr. Speaker: The hon. member for Calgary West responds by saying he has withdrawn everything that was said in the House, just as the hon. member for Kamloops has. That is some advancement. I suggest that we adjourn this matter to hon. members. Their colleagues can discuss it further. All rights are reserved.

If the two hon. members would agree, I think that that would be the appropriate thing to do.

Mr. Riis: I agree. I think that your intervention is an appropriate one. As long as the understanding is there, if there is a need to return to this issue in terms of further allegations, I think what you said, Mr. Speaker, members would have the right to do just that.

Mr. Speaker: That is exactly the condition. I see the hon. member for Calgary West is in agreement.

First of all, I want to thank all hon. members who have been here for the last hour and who have exercised great patience in listening to this. Contrary to what the public often thinks, this has been a very civilized discussion on a very difficult issue indeed.

As your Speaker, I am going to say you are to be congratulated on your decorum this afternoon. Second, I want to thank the two hon. members. I hope that this matter can be resolved.

I want to thank the hon. member for Calgary West, the hon. member for Kamloops, and the hon. member for Cape Breton—East Richmond for his helpful contribution. I want it also clear that the hon. member for Cape Breton—East Richmond is not in the firing line.

The matter is adjourned.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Jim Fulton (Skeena): Mr. Speaker, I have two short points of order.

First, I know that the Parliamentary Secretary to the Minister of the Environment is here. During Question Period, he suggested that I either support or endorse the 1987 Alcan agreement, which I do not. He thereby inferred that I might in some way be happy with the process of exempting the Alcan completion project from the 1984 cabinet guidelines order.

I know he is here. I have had a chance to speak to him. I am sure he would like to have something to say about not leaving what he said on the record.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, on the same point. As you will recall, I indicated earlier today in Question

Period that it was my understanding that he was on the record as supporting the agreement.

I stand to be corrected if he wishes to correct me. I now stand corrected, Mr. Speaker.

BILL C-78

Mr. Jim Fulton (Skeena): Mr. Speaker, my second point of order is in relation to what is happening with Bill C-78.

As some members will recall, on June 27, page 13173 of *Hansard* the Minister of State for Youth and the Minister of State for Fitness, and the Deputy Leader of the government in the House moved a motion dated June 26, 1990 respecting Bill C-78, an Act to establish the federal environmental assessment process, that it stand adjourned until Monday, September 24, 1990 with various provisions.

At that point, our Whip the member for Thunder Bay—Atikokan pointed out:

> I am just wondering if the minister can indicate that once the committee has been established, it will not meet during July and August, and that there may be a short meeting in September to deal with the agenda. The purpose of establishing the committee now is to let people know that the committee is available to receive briefs and that it will be looking for information.
>
> Second, can the minister indicate that the 1984 cabinet guidelines dealing with the environmental assessment review process will not be modified unless the Minister of the Environment has met with the committee?

Then the Parliamentary Secretary to the Leader of the Government in the House of Commons confirmed that.

The point that I am making is that at that time on the closing day of this Chamber in June, a special committee was struck. For the first time in the history of the House, a bill which had not completed second reading was referred to the special committee so that we could, as I understood it and as other members understood it, redraft a very important environmental piece of legislation for Canadians now and on into the future.

We have only just started our hearings. We have only heard from FEARO, from Mr. Robinson, and we are just about to hear witnesses from across Canada to redraft Bill C-78 as we understood we were supposed to. For three months the special committee has been solely a post box. There have been no witnesses. The members have not been sitting. We did not have a chair. Mr. Stevenson was not appointed until just a matter of days ago to actually chair the committee.

I think hon. members need to hear from the government side on this point of order, how it is possible that we set up a special committee process, and as soon as the special committee process gets going it is collapsed so that second reading of Bill C-78 can be completed, which will force it off to a legislative committee where only minor adjustments can be made. The serious amendments with which the committee has undertaken its study simply cannot be made to Bill C-78 once it goes to a legislative committee.

Mr. Speaker: It is not a point of order.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): With due respect, Mr. Speaker, what was done was to accommodate the wish that the subject matter of this legislation, very important, could be proceeded with while the House went into recess for the summer and that is what was done.

It is not an unexceptional thing. It has been done in the past. There is no reason in the world why the committee cannot work. There is no reason in the world why amendments to Bill C-78, if appropriate, cannot be made when it goes to committee stage. It happens all the time. That is the purpose. I do not understand why the hon. member is upset. It is desired to have Bill C-78 debated and voted on in principle as soon as possible. Then it goes to committee and, based on the work of committee, amendments can be made if the committee in its wisdom decides they should be made. That is part of the legislative program

To do what the hon. member is suggesting would be to ask the government to withdraw this legislation and bring in something else later on, next year some time, and I do not think it would be prudent for us to wait.

Mr. Speaker: I have heard the hon. member for Skeena, but I am persuaded by the hon. House leader that this is something that has been done before. The government has the right to set the order of business. I would urge that if there are concerns from the hon. member for Skeena and his colleagues that those concerns be the subject of further discussions with the hon. House leader.

The hon. House leader I think has indicated that the process is such that with a little bit of skill, there can be input from that committee into the progress of the bill.

* * *

NATIONAL PETROLEUM COMPANY OF CANADA

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-84

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, since we are getting points of order out of the way, I thought I would try again, especially with you in the chair.

I wish to indicate that an agreement could not be reached under the provisions of Standing Order 78(1) or 78(2) with respect to an allocation of time to the second reading stage of Bill C-84, an act respecting the privatization of the National Petroleum Company of Canada.

Under the provision of Standing Order 78(3), I give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allotting a specified number of days or hours, for the consideration and disposal of proceedings at that stage of the bill.

* * *

PRIVILEGE

KEMANO COMPLETION PROJECT

Mr. Speaker: The hon. member for Skeena has filed with me a question of privilege. I have accepted it as being in order. I wonder if the hon. member would want it heard at perhaps a more convenient time than presently.

Mr. Jim Fulton (Skeena): I certainly would not object to having it put over, Mr. Speaker.

Mr. Speaker: That would be the appropriate thing to do. I thank him for his co-operation.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): On a point of order, Mr. Speaker, I wonder if the hon. member would let the appropriate person—I assume it has to do with some actions of somebody on this side of the House—know the substance of the question of privilege so that some preparation might be undertaken on this side.

Mr. Speaker: The hon. House leader has made a suggestion which is eminently sensible under the circumstances, especially as the House now knows the hon. member for Skeena does have a question of privilege.

Mr. Fulton: I do not object to giving a quick synopsis, Mr. Speaker, to the question of privilege. It involves the October 12 Order in Council exemption of the Kemano completion project. As I think the government House leader is aware, the Prime Minister and four ministers of fisheries are on the record as supporting a full public inquiry into that project before it was approved.

• (1640)

The other point is in relation to the June 27 agreement that was reached. Effectively what has happened is the October 12 Order in Council exempting the Alcan hydroelectric project from the 1984 cabinet guidelines order removes the agreement that was reached on the June 27. That agreement was that there would be no variance made to the 1984 cabinet guidelines order until Bill C-78 had gone through and become law.

It is a two part question of privilege. One is involving the government endorsation of a public review of an environmental evaluation of a very large project. The other is that an agreement was reached in the House that there would not be substantive changes made to a special Order in Council from 1984 until legislation presently before the House was law.

Mr. Speaker: I thank the hon. member for Skeena for putting the point so succinctly. I hope it is of assistance to the hon. government House leader.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Sudbury—Children's Rights; the hon. member for Broadview—Greenwood—Goods and Services Tax.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

MEASURE TO ENACT

The House resumed, from Wednesday, June 27, consideration of the motion of Mr. de Cotret that Bill C–78, an Act to establish a federal environmental assessment process, be read the second time and referred to a legislative committee.

Mr. Jean–Marc Robitaille (Terrebonne): Mr. Speaker, I welcome this opportunity to take part in the debate on second reading of Bill C–78 before the House today. This legislation is the cornerstone of our government's commitment to integrate the principles of sustainable development in all federal decisions.

Mr. Speaker, this legislation will require the environmental assessment process to start at the beginning of the planning stage, so that decisions are made with a full knowledge of the potential environmental consequences.

Bill C–78 arises from the government's commitment to make the process more effective, fairer and more open. It reflects the main recommendations made by experts and the general public during two years of in–depth consultation.

Mr. Speaker, this legislation will put Canada in the forefront of nations that seek to protect and preserve the environment. In fact, Mr. Speaker, the Netherlands government, known as a leader in environmental assessment, wrote recently to congratulate the Federal Environmental Assessment Review Office on its reform proposals, saying that in their opinion we had gone one step further than they had in this area. That is good news, Mr. Speaker.

The legislation will also ensure that federal authorities are accountable on environmental matters and will also increase public involvement at all stages of the assessment process. Nevertheless, Mr. Speaker, we shall be mindful of our responsibility for administering the process efficiently. We will give environmental assessment of the impact of each project all the attention it deserves, no more and no less.

However, Mr. Speaker, this bill goes beyond providing for assessment of the potential impact of a project. Bill C–78 also requires that measures designed to protect the environment be put in place and maintained. The bill provides for follow–up and for monitoring programs. This bill will oblige us to treat the environment with respect, and that is a very good thing. But we also owe it to ourselves, our constituents and our children to see to it that the measures we are enacting be strictly tested and enforced. We will also have to keep a close watch on the evolution of projects so as to judge the effectiveness of the environmental assessment process and as a basis to assess similar projects in the future.

Mr. Speaker, a new agency—the Canadian Environmental Assessment Agency—will be established to meet to the challenges inherent in this reform. Quite independent from other government organizations, the new agency will answer to and advise the Minister of Environment. It will also be responsible for implementing and managing the new assessment process within the federal administration.

With a view to concentrating our resources on projects requiring the greatest attention, Mr. Speaker, we will have three assessment approaches: mandatory studies, assessments by category, and lists of exclusions. The first, mandatory studies, relates to all projects likely to have a lasting environmental impact, such as major industrial or hydro power projects which will be the subject of very extensive environmental assessments right from the start.

The federal authority responsible for carrying out mandatory studies will scrutinize all the environmental consequences of a given project. Their report will be made public and presented to the Minister of Environment who will then decide if the project should be submitted to a mediator or a review commission. The project might also be referred to the federal authority for a final decision, but only if the Minister of Environment, enlightened by public input, is convinced that the proposition requires no further consideration.

The second approach, Mr. Speaker, will be used for many routine projects similar to other previously assessed projects, such as formation and road maintenance, to name just a few.

I think it would be a waste of our very limited financial resources to reassess the possible impact of such projects. Once the environmental impact of these projects and the appropriate mitigation measures are well known, all further assessment will be done by category. The new act will allow the Minister of the Environment to choose a standard assessment for a model. Assessment of individual projects will then be based on a standard assessment, and also take into consideration local circumstances and cumulative impact.

Mr. Speaker, the new Canadian Environmental Assessment Agency will determine which assessment reports may be used for the assessment by category.

The third assessment approach has to do with exclusions. This approach will be used for projects known for having no environmental effect. No assessment is needed in such cases, and the proper authority can make a prompt decision concerning the implementation of these projects.

In accordance with the spirit of this reform, the people will again be consulted on what projects to include on the exclusion list. So you see, the decision does not lie only with the minister. The people will be consulted, which goes to show the openness and extension of Bill C-78. Of course, some projects will not appear on the exclusion list or on the mandatory study list. These proposals would be subjected to a screening process to determine the possible environmental affects and to decide whether mitigation measures and more thorough studies are indicated.

• (1650)

If I may, Mr. Speaker, I would like to elaborate on the process proposed in this bill.

This Government recognizes that it is necessary to balance the needs of this society with those of future generations. That is the only way Canada can start firmly on the way to sustainable development. It is a major challenge. Bill C-78, however, will help Government departments and agencies become more aware of environmental issues and their respective responsibilities.

The purpose of this bill is to require any federal authority, whether a minister, department or agency, to carry out an environmental assessment of all projects coming under its jurisdiction. It must make sure that the process is open and accessible to the public. It must take into account and act on the public's comments in the decision-making process. It should not be satisfied with consulting the public, but should respond to its comments. That is a major element in this bill.

Another principle in this assessment process is also very important: the Federal authority must determine as soon as possible during the planning stage the possible environmental effects of each project and the necessary mitigation measures. This way, in the Federal decision-making process, environmental aspects will be accorded the same importance as economic and social ones.

From now on, the environment will no longer be the last consideration, for it will be given the same importance as economic and social issues. Many factors will be taken into account when determining whether a project is environmentally sound.

We will look into the changes which the project will make to the environment, including the impact of any environmental change on health as well as socio-economic conditions.

We shall consider also the possible cumulative effects which could result from the completion of a project on top of others, both existing and to come.

Finally, we shall consider the mitigation measures which would be necessary to eliminate or limit the environmental effects of these projects.

In the case of a major project, we look at the purpose of the project, the various ways of carrying it out, the need for a follow-up program and the viability of the renewable resources that are likely to be affected by the project.

The comments and concerns expressed by the public will also be considered.

This bill, Mr. Speaker, provides for two types of public review for projects that could pose a serious threat to the environment and raise serious public concern, that is mediation and panel review.

We will proceed with mediation when the parties who have a direct interest in or who are directly affected by the project agree to find a way to identify and mitigate the adverse environmental effects of the project. Mediation will be preferred to public hearings because it is more efficient.

Of course, Mr. Speaker, there will be cases where mediation will not be suitable. Those projects will undergo a complete review by a panel. Furthermore, if a mediation attempt fails, the Minister of the Environment can still appoint a review panel.

Mr. Speaker, the evaluation reports relating to all major projects will have to include a follow-up program that will be made available to the public. We are not hiding anything. We are making it available to the public. This will enable us to check the accuracy of the environmental assessment basis as well as the efficency of the actions taken to mitigate the environmental effects of the project.

The aspect I like best, Mr. Speaker, is the increased opportunity for public participation. The public being an integral part of the process, the bill is transparent and accessible to the public. That way, we avoid the risk of things being said and turning out to be different. So, the follow-up process open to the public guarantees the efficiency of Bill C-78.

Mr. Speaker, we also intend to bring to light all actions that have been taken and to ask for the full participation of the public at all stages of the environmental assessment process. Not only in the beginning, in the middle or at the end, but all through the process. Most of all we wish to ensure the concerns of the public will be taken into consideration as part of the assessment process.

Mr. Speaker, there will be public consultation at all stages and in all cases. The public will be kept informed and we will ask for its comments. For that purpose, public registries will be kept. They will be used as information sources regarding all projects. The public will have access to them, and will be informed of all projects.

The ultimate and laudable goal of this bill is to ensure better protection for the environment by giving the Minister of the Environment greater responsibility in that process and facilitating the participation of the public at all stages while maintaining the principle of self-evaluation and keeping various federal departments and bodies responsible for the environmental consequences of decisions they will take on projects.

All those elements considered, the proposed reform deserves our support. The new environmental assessment process proposed here is fair and equitable, and above all, it takes into account the environmental reality of Canada of the twenty-first century.

Moreover, Mr. Speaker, the process will be balanced. Each project will get the exact qualitative or quantative attention it deserves.

Finally, Mr. Speaker, and I will conclude by saying that the process will help us to step from a costly and inefficient environmental approach by which we can only find a cure to a much more profitable preventive and predictable approach.

Mr. Speaker, time has come to cease making decisions on big development projects without taking into account their implications for our economy and environment. Mr. Speaker, reacting to and making up for damages that we were not able to predict as was done in the past is all over. We are debating today Bill C-78 that will allow us to integrate from the outset an environmental concern in the planning of big projects and to see to it that we do not have to fix 15 or 20 years down the road what will have been destroyed for lack of planning or judgment.

So, Mr. Speaker, I ask all members of this House to support the second reading of Bill C-78, because it is an efficient and open bill, a bill that includes a visible process, that gives the public an opportunity to actively participate in this whole process. Mr. Speaker, I think all members of this House will be very happy with this bill, which is a government's initiative, and will very happy to support it with great enthusiasm, because I know that all members are very concerned with the environment and that they want us, with a bill as excellent as Bill C-78, to be able, right now, to protect our environment and our resources in the interests of future generations, of the future of our children.

So, once again, Mr. Speaker, I invite all members of this House to support wholeheartedly Bill C-78, for the sake of the environment.

• (1700)

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to congratulate the deputy chair of the special committee on Bill C-78. I know him to be a very interested member in the proceedings of the Canadian environmental assessment legislation.

I wonder if the member could take a moment to confirm my understanding, which is that on June 27 we created the special committee and for the next three months it acted as a post box. The initiative of the government pursuant to the McGrath recommendations on parliamentary reform was to make use of a special committee so that the bill could be redrafted in a major sense including in terms of the principles.

We have discussed this in committee and in terms of the witnesses we will call. It has been our intention to redraft the legislation dramatically because, as the hon. member knows, we have heard from FEARO. They have indicated that more than 100 acts of Parliament ultimately will be included in the legislation. Surely that should be in the legislation. The projects that are to be exempted are not listed; surely, they need to be listed. The regulations in the legislation are not listed; surely they should be. The mandatory inclusion projects are not listed, and they should be. Even intervener funding is not listed.

I wonder if the member could take a moment to explain to the House his understanding of the process that was intended by having this bill go to a special committee before it goes to a legislative committee. This piece of legislation is described universally by serious environmentalists in this country as a legislative Swiss cheese where the holes are larger than the cheese. I am sure the member knows that we want to make this a good piece of legislation so that future generations can look back and say that the men and women in this Parliament knew what they were doing and knew what kinds of projects should be assessed and how they should be assessed.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I want to thank the hon. member for Skeena for his question. As for his desire or intent to bring changes, amendments or that sort of things, I think the hon. member will understand that that is part of the legislative process, which is to say that after the legislation is approved on second reading and sent to a legislative committee, the hon. member will be allowed to propose changes and amendments he feels right and relevant during the committee proceedings.

In the other part of his question, the hon. member compares the legislation to Swiss cheese. I want to point out, Mr. Speaker, as I was saying a moment ago in my speech, that the Dutch government, which is recognized as a leader in the environmental assessment area, recently wrote to the Federal Environmental Assessment Review Office saying that from an analysis of the reform proposed in Bill C-78 they felt we surpassed them in that area. So, we might be eating better Swiss cheese than the Dutchmen.

Nothing is perfect in this world, but Dutchmen are recognized as experts in the area of environmental assessment. And they are the ones who sent us a letter telling us that we have a good legislation, that we are surpassing them and becoming international leaders in the environmental assessment area.

So I feel this legislation is not that bad. But the hon. member has of course every right to find deficiencies in it. Nothing is perfect. On the other hand, I think the hon. member may use all those ideas and suggestions to propose changes or amendments during the committee proceedings after second reading approval.

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my first words are to commend our colleague from Terrebonne for the excellent speech he has just made on an excessively important piece of legislation for Canada. The hon. member has shown great concern for the environment, Mr. Speaker, and I know for a fact that the people of Abitibi—Témiscamingue are also very interested in environmental issues.

You may or may not know this, Mr. Speaker, but the residents of Abitibi—Témiscamingue have witnessed anarchic industrial development in the last 50 years. Our environment has been marred to the extent that bills like this one take on a special meaning for us. You can readily appreciate the fact that had this kind of process been in place 50 years ago we would not be coping with the environmental problems we have now. This exemplifies the kind of leadership our government has shown since 1984. Given the legislation this Progressive Conservative government has enacted since then, it is clear that it is fully conscious of environmental issues.

Mr. Speaker, I have a question for my colleague from Terrebonne. Considering that this bill will have a tremendous impact on the environment, to what extent does this important measure differ from regulations dating back to 1984? Can he point out the difference to show how much further this bill goes?

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I want to thank the hon. member for Témiscamingue for his very good question. I know the hon. member for Témiscamingue is having, or has been having environmental problems in his constituency caused by development projects which were planned with no consideration whatsoever for environmental concerns. I would like to add, Mr. Speaker, with all partisanship aside, that the constituency of Saint-Maurice is having a similar problem, where *Consolidated Bathurst*, of which Mr. Chrétien was a member of the board, has polluted the Saint-Maurice River. And it is precisely because of our lack of concern in the past that we are having these problems today.

The hon. member asked me why Bill C-78 is so important compared to what we had before? What we had before, as everybody knows, were guidelines approved by Order in Council in 1984 when the Liberal government was still in office. Bill C-78 in a great improvement over that Order in Council, Mr. Speaker. Progress has been made in many very important fields.

First of all, this bill is written in statute form, and will be interpreted as such by the courts. It will not be vulnerable and open to challenge in courts of law.

Mr. Speaker, one of the important aspects of the bill is the fact that, in the past, when a public review was seemed necessary, the decision making process would rest entirely with the minister, while in the present bill the decision making power rests with the Minister of the Environment, which is going to be now a bit like having the fox mind the geese.

As for the old order in council concerning regulatory bodies and the Crown corporations, just as an example, it was very vague and optional. It means that they could proceed with an environmental assessment, but the decision was up to them. Now, in bill C-78, it is set out in specific rules, Mr. Speaker.

Moreover, in the past the order in council only provided for review boards. Now you can have arbitration as an alternative to review boards, and this again, Mr. Speaker, is an improvement. Then, the public can have access to every step of the process.

• (1710)

We are therefore talking about a bill and a process which are characterized by openners, a process which the public can have access to. It is becoming increasingly difficult, for whatever reason, to hide anything from anyone. In addition, Mr. Speaker, we will financially support organizations willing to take part in the assessment process. We are talking about openness, public participation to the review process and that, to me, appears to be one of the most interesting aspects of Bill C-78.

I could go on and on, Mr. Speaker, and give you 15, 20 or 30 exemples of how the bill improves the guidelines of the old order vicouncil but I see that you are letting me know that my time is up and I know you wish to give everyone the possibility to ask questions, so I will end my remarks right now.

The Acting Speaker (Mr. DeBlois): The hon. member for Skeena on a point of order.

[*English*]

Mr. Fulton: On a point of order, Mr. Speaker. I do not think the hon. member would want left on the record a suggestion that there is intervener funding included in Bill C-78, as he just suggested. There is no clause in the bill allowing for intervener funding.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Terrebonne on a point of order.

Mr. Robitaille: Mr. Speaker, I am not saying that there is some indication in the bill about our financing it, but the governement has clearly stated its intention to grant financial support to those environmental groups and public stakeholders wishing to participate in the environmental assessment process.

The Acting Speaker (Mr. DeBlois): End of questions and comments. Resuming debate. The hon. member for Eglinton—Lawrence.

[*English*]

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I was quite intrigued in following the debate and the questions and answers. My colleague, the hon. member for Terrebonne, certainly painted a picture that would excite most people who are concerned about the environment. I daresay all of us are.

When reading a Canadian Press report dated October 19, I noted that a coalition of the 28 groups of environmentalists wanted to pass its judgment and its

views on precisely what the hon. member was speaking about. This group gave the government an *f* on this issue.

An hon. member: For fine.

Mr. Volpe: An *f*, as with a report card, because the process required for projects under federal jurisdiction obviously does not meet even the minimum requirements.

[*Translation*]

The French-Canadian press describes the bill as follows: "This legislation is well intentioned, but lacks teeth".

[*English*]

Mr. Speaker, when one reads these kinds of reports from environmentalists about whether the legislation has teeth and whether the proposed law is, in effect, attacking what it ought to be attacking, one begins to wonder. The hon. member for Terrebonne has talked at great length about the involvement of the public and the importance of gathering public opinion. I do not want to introduce an element of cynicism into a debate that should be of interest to all Canadians but, frankly, we have seen public input discarded by the wayside without much ado. We have seen it on the GST and all kinds of other things. We have seen, for example, closure imposed on debates at a very minor whim.

Mr. Speaker, it is very difficult for us on this side of the House to understand and appreciate the enthusiasm that the hon. member for Terrebonne has for the whole public inquiry process that is going to be implemented through Bill C-78. But, lest I be too critical, what I want to do is draw the attention of the House to the fact that this bill should have had underlined, as its main purpose, in fact its *raison d'être*, that it would foster sustainable development, and it would do that through a particular process which is indicated in the title of the bill and that is, "an act to establish the federal environmental assessment process".

When I look at this legislation, and I keep these very minor considerations in mind, I am already calling into question in my own thoughts whether in fact we are missing an opportunity. And the opportunities that we are missing with this legislation are precisely those which have been indicated by the coalition of environmentalists.

[*Translation*]

This is legislation without teeth.

[*English*]

It is, in fact, legislation without teeth.

The government has called us into question on many occasions, saying: "Give us alternatives, give us positive suggestions, give us an indication, critique, and be positive in the support of any legislation that might come forward." Well, members of my caucus have already introduced an element of criticism in this debate that has been positive and in that positive criticism they have also pointed out, as the environmental coalition group, has pointed out that there are very few, very effective enforcement mechanisms that would encourage the various departments to initiate proper assessment.

We have seen in both a question and answer, as well as in other debates, that this is a very crucial element of legislation. If it is going to have teeth then we have to see that mechanism in place. We have to be able to see it function in order to appreciate it, and the public has got to develop its confidence by seeing those elements in place.

I know that my colleague from Témiscamingue talked about the anarchy that prevails in the kind of industrial development in the sector of Quebec from where he comes. He says it would not have happened over the course of the last hundred years if we had had this.

Well, I am not sure whether he is infusing his own optimism in this, but we are certainly not going to be able to turn back the clock. The idea would be to put in place something that would ensure that under no circumstances would we have any ways out. He is from an area that is very dependent on the kind of industry that is by his own admission degrading the environment, and if he can see that what is required is some effective mechanism for ensuring that there be sustainable development, then surely he would have tried to encourage his own caucus to accept the kinds of mechanisms that needed to be put in place.

He will remember that since 1984 the courts have ruled that, whenever there have been questions on the environment, every minister and every agent of government was required—and I stress the word "required"

because that suggested there is not very much discretion and that there is an obligation incumbent on that office, a shall or must component—to do a full environmental assessment of any project that touches on the minister's area of responsibility. This act holds out the possibility that that might happen.

And so we collapse into a direction that suggested that we must act in a particular fashion to one where he may and we cloud that may in words that convey the impression that the minister now has greater power. But the power always seems to be discretionary and so we again collapse into the strength of the minister himself. We collapse into the strength of the political will of the government at the moment. We again collapse into whether there is an acceptance of the public input in the mechanism that appears to be put in place.

The guidelines for the environmental assessment are clearly much, much too vague and leave too much to the discretion of the Minister of the Environment and to those individual ministers who are ultimately responsible for making the final decisions regarding those environmental decisions that impact on their departments.

I have seen in the question and answer session of the last debate that the member for Skeena suggested that the committee on the environment has very fundamental suggestions to make about how to redraft. The key word was "redraft" and not make amendments that are going to provide acceptable frills to this bill but to alter completely the whole dimension of this bill. One only does that in the context of committee if in fact one sees great big gaping holes, whether one calls into question in fact the entire direction of the bill or the ability of the minister to deliver on what the bill purports to deliver.

I know that my colleagues will also be interested in pointing to certain projects, as my colleague for Témiscamingue did and others have done in past. The House has debated over the course of the last week on the Rafferty Dam. But this does not specify, for example, which projects or classes of projects, which acts of Parliament or regulations, or which federal authorities will be subject to the bill. In fact, Orders in Council through cabinet will make some of these determinations after the bill is passed. There is no predetermination prior to the passage of the bill. We are going to be faced, as I think one member has indicated already, with a desire to deal with about 100 or more federal statutes that should be coming under Bill C-78. We are dealing with only about eight of them.

• (1720)

We are making a big deal of it. We are making a small step and it is a big deal, because it suggests that there is a frame of mind that is going in the direction where we are finally accepting responsibilities for sustainable development. We are finally accepting responsibilities for environmental degradation, and we are going to do something about it.

If, Mr. Speaker, from this side of the House, you hear criticism, it is not because we are negative, but because we want to take a reasonable initiative and make it better. What would we do to make it better? One of the things that we would like to do is make sure that we can pinpoint those departments or ministries that have to come into play.

For example, the minister and members of the government side have pointed out that we cannot apply our principles to everything. For example, we cannot apply them as well to things such as the Export Development Corporation or CIDA. We would have some obligations that extend from our understanding of the environment for us in Canada as Canadians, but understanding, as well, that environment is a global issue. We have incumbent responsibilities to ensure that the kind of principles that guide us here also guide us with our dealings with any of our partners, whether they be on a business side or through CIDA which is also business.

Just as a trite reference, for 1990-91, there is a projected budget of $399 million through the EDC and $2.1 billion under CIDA. Both of them are going to be exempt from this bill because we are waiting—and I am paraphrasing the minister and the government—until the international community comes to an agreement on whether this is acceptable or not.

If we accept the principle, certainly we ought to be able to do it on our own. We need not wait until the international community approves of something. There are certainly ways that we can influence how we as Canadians are going to have an impact on the environment. We do not have to go very far for that advice. We can go to the committee. I am going to make reference to the committee on the environment, because it has

produced an excellent interim report that I think the government has ignored, to be very kind.

One of those items refers to the fact that the compliance component of the bill certainly is very lacking. There is absolute indifference to the concept of making various jurisdictions of government comply, particularly when they set up their own review mechanisms.

I think all members here are very familiar with the events surrounding the Rafferty–Alameda Dam, and they need not be raised again in this debate. It certainly tells you, Mr. Speaker, some of the problems we have to address. If we cannot do it in a bill that is here before the House right now, and if we cannot sit in the committee and allow for some of these suggestions to come through as amendments and toughen up this bill, when are we going to do it?

That committee presented its interim report only on October 11. That is not a long time ago. It includes members on both sides of the House. To read the report, one would be very surprised that this would be coming from a committee that has a majority of government members.

The last three recommendations are made on page 15. The committee wants to address the concept of compliance and enforcement, eliminating the may component from the minister's power and introducing a must and shall requirement component.

For example, in recommendation 15, the committee recommends that the Minister of the Environment have the responsibility and authority to develop policies, programs and regulations that span a full range of activities of the federal government, analogous to those of the Minister of Finance for financial and economic affairs.

In a subsequent recommendation, the committee asks for the establishment of an environmental audit function to ensure that all federal departments and agencies have implemented environmental assessment processes and to monitor the effectiveness of those environmental programs. It continues with setting and attaining targets for greenhouse gas emissions, as one component of what Canada must do with respect to addressing environmental issues.

Finally, the seventeenth recommendation is that all federal departments and agencies report on the direct and indirect impacts of their operations on global warming and set annual targets for reduction in greenhouse gas emissions.

I refer to those three because I wanted to point to a particular area that the government might have addressed in its bill. It has not done that at all. One asks oneself if the government is putting up a bill in the absence of a context that the House's committees bring forward for consideration.

The very first thing that is missing in this bill is the definition of sustainable development. Presumably, the bill is designed to ensure that we have sustainable development. Second, it shows a lack of direction. Once we have removed the purpose, we removed its sense of direction. Yet, that committee recognizes, on behalf of the government, enormous obligations for Canada.

In its report, it cites the World Resources Institute Report of 1990 that ranks Canada on a per capita basis for emissions and air pollutants at fifth, even though it has only 0.5 per cent of the population of the world. The only nations that rank ahead of Canada in terms of emitting contaminants in the air are developing countries or countries in the oil producing area.

The government's own committee says it must address some of these problems because there is an obligation. This bill does is alludes to a sense of obligation that the government refers to itself and there is a parliamentary committee that says: "Look, here we are. We have produced a document that should begin the discussions for where we ought to be going." And what are we doing? We are going into second reading.

As the member for Skeena pointed out earlier, on a question of privilege, the whole process of legislation appears to be designed to avoid very constructive implementations of amendments or redrafting by the committee before the legislation is accepted in principle and before it is passed on to the legislative committee where the process dictates that there will be few amendments that will allow the principle of the bill to be altered.

I have alluded to the fact that Canadians and parliamentarians acknowledge that they are offenders in questions of the environment. That same report talks about deforestation and what Canadians can do on

behalf of regenerating a very essential element of the quality of air and life that we will enjoy down the road.

Recommendation number seven recommends that the government develop policies and programs which encourage Canadian companies to commercialize and export technologies and equipment that are effective in reducing greenhouse gases and gas emissions, particularly to developing countries, and so on. We might have referred as well to the import of that technology. If we do not have it, there is no reason why we cannot import it.

I refer to an issue that was raised only last year when we had the transportation of waste oil for purposes of re-refining or for the purposes of burning. That has all been put on hold because there has been a conflict of two jurisdictions. There is no question of compliance. There does not seem to be a political will on behalf of the federal government to co-ordinate the activities of provincial and municipal jurisdictions to ensure that there be an implementation of technology.

In reference to the implementation of technology to remove one of the problems, we already have technology in this province to deal with the over 325 million litres of waste oil that comes out of automobiles and other means of transportation. That waste oil can be not necessarily re-refined, although the technology exists for that, but the technology in the province of Ontario alone can only deal with about 100 million litres.

• (1730)

That means that there are about 225 million litres that are left there for people to do whatever. We used to put it on country roads, but there is a system available where the CO_2 emissions and other hydrocarbon emissions can be reduced to virtually zero. We do not have anything that allows any of our ministers or departments to capture that. Another one of the mandates that this committee would like to see the government engaged in is, of course, energy conservation by reducing the amount of energy products that we use, or at least making greater efficient use of it.

The technology exists. It does not exist necessarily in Canada, but there are countries that have it readily available and we should be making a concerted effort to get it.

I know I am running out of time, Mr. Speaker, but I wanted to add a last point. We do not have sufficient amounts of money available in order to ensure that a proper environmental program be put in place.

The federal environmental assessment review office has had roughly $44 million budgeted for this year. The minister says that we could add up to $100 million. Mr. Speaker, we have to move away from "we could", "we may", and "we might", to "it is a possibility, and this is what we will do". We have to remove ourselves from assurances of the political moment to the guarantees of legislation that is going to put teeth into our principles.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I listened very closely to the speech made by the member for Eglington-Lawrence. A bill certainly cannot satisfy all our expectations, we all know that. It is impossible. My hon. friend listed, and that is his right, all the amendments, all the guidelines he would like to have inserted in the bill. That is understandable. A legislative committee will surely study all these amendments. My question for him is this: Does he not recognize that this bill is a step in the right direction, that it is very important for a country to give itself such an environmental assessment process? On the same point, I would like to remind him of what one of his colleagues, the hon. member for Davenport, said during a press conference, and I quote:

[*English*]

"I think that it is a good step in the right direction."

[*Translation*]

My question is then quite simple, Mr. Speaker. I would like to ask my colleague, in spite of the amendments he would like to add to this bill, if he is in favour of the bill or against it.

Mr. Joseph Volpe (Eglington—Lawrence): Mr. Speaker, I appreciate the question put by the hon. member for Témiscamingue because I know there is no— I don't know the French term—

[*English*]

There is no mischievousness in his question. Since he is talking about whether in fact we are going in the right direction, it is important to keep in mind independent studies. For example, Informetrica economist Carl Sonan in a report just last August said that in order for Canada to have a modest effort just in the area of global warming, it would cost Canada $37 billion over 10 years. I am going to give you these figures, Mr. Speaker, so that my colleague can understand the context in which we would criticize this bill. There is another $33 billion for other environmental clean-ups. The environmental clean-ups are not going to happen if we have mechanisms in place that would prohibit environmental damage and environmental degradation.

At any rate, that is roughly $70 billion over the course of 10 years. Now the five-year plan outlined by the Green Plan initially was apparently going to cost us about $5 billion. That is like $1 billion a year as opposed to the $7 billion, but the amount has now been reduced drastically. The money is going to come from cuts elsewhere. Where that elsewhere is, I really do not know. Our information, and I am trying to get the exact quote here, is that over the course of the last several months, the bill from when it was first proposed has undergone enormous revision as a result of the input of some of the heavy duty cabinet ministers around the table. Those heavy duty cabinet ministers around the table might have wanted to draw to the attention—

Mr. Lewis: They are all heavy duty.

Mr. Volpe: Well, the member for Etobicoke Centre is one and the other one is from Alberta. He is heavy duty enough because of his size.

Statistics Canada, for example, suggested that what we ought to do, if we are going to address this properly—and again, it is just a question of suggestion because you will have to read the statistics yourself and I address my hon. colleague through you, Mr. Speaker—is find the statistical means by which the present measure of wealth, that is the GDP, is contrasted with resultant resource depletion. I will conclude in a moment, Mr. Speaker, but rough estimates indicate that between 1984 and 1986, that is just two years, resource consumption in Canada amounted to between 1.4 and 4 per cent of GNP. That is roughly about $6.9 billion to $17.9 billion.

Those figures are important because what they do is they have to translate into what else Canadians consume. For example, on the question of the environment, if we take toxic pollutants, what that does is boost health care costs and thereby GDP in that area, as it does as well on clean-up of environmental disasters. If you put it in the context of all those moneys that should be spent and are not being spent, but are actually being cut back, in the context of thinking in terms of whether we are putting in an appropriate compliance and enforcement mechanism, one has to suggest to the member for Témiscamingue that this, if it is a step in the right direction, is very likely a minute step in that direction.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I listened to the hon. member with interest and I just want to make one or two points and ask a question.

First, with respect to the question of second reading, I would inform the member, because I do not think he was present in committee, that the official critic for his party did express his agreement with the bill coming back into the House for second reading. In fact, he indicated that he would be quite agreeable at seeing it have speedy second reading so it could go back to the legislative committee and witnesses could be heard, et cetera.

I would ask the hon. member if he could, on behalf of his party, indicate how much money he believes should be made available for the Green Plan. Could he indicate whether his party would advocate raising that additional money in the form of a green tax or would he suggest it be taken from some other department and in which case, from which department.

Mr. Volpe: Mr. Speaker, I am glad that the parliamentary secretary was paying careful attention to what I said. I think I gave him at least seven figures that he might address in a context of where we would take a look at what kind of moneys have to be spent. They were independently arrived at figures. They were not the figures from this member, nor from members of this caucus. I threw them out to him to give him an indication of what independent members in the community who are interested in the environment, who are experts in the

environment, are making as a recommendation to the Canadian Parliament.

I did that very deliberately because I took sincerely the suggestion of the hon. member for Terrebonne suggestion that there be a great move to invite public input and to get the public engaged at every step of the way in order to ensure that Canada would be not only environmentally correct, not only environmentally safe, but it would be a beacon, a lighthouse if you will, a beacon of inspiration for all those countries that are looking for legislation that is going to correct the evils that are being perpetrated on the environment.

As for how much money will have to be there, I would have loved to have seen the member give me a response as to what the recommendation of his own Minister of Finance was around the cabinet table when the cuts went from $5 billion over five years to whatever obfuscated figure is now on the table.

• (1740)

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Terrebonne has 45 seconds.

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I will be very brief.

I listened very carefully to the hon. member's speech. He referred, and correct me if I am wrong, to the bill's effectiveness as far as projects were concerned in which Canada, through CIDA, provides assistance to foreign countries. I simply want to ask the hon. member on what grounds he says that Bill C-78, the bill before the House today, has no legislative provisions to deal with this. If you look at Section 44 of the Bill, you will see, and in any case it seems to me there are a number of provisions to deal with this. So I would like to know what grounds the hon. member has for saying that projects financed by CIDA outside the country are not subject to environmental assessment.

[*English*]

Mr. Volpe: Certainly, I will be very, very brief. One goes on the basis of what is in the legislation, what the minister says is the intent of the legislation and how he goes about explaining what is applicable and what is not. Take a look at the ministerial statements and the press kit.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I am very pleased to participate in this important debate today.

The objectives presented by Bill C-78 are of great importance to all Canadians. I wish to concentrate my remarks today on a particularly important segment of the Canadian population, namely, Canada's aboriginal people and the way in which the bill has been designed to relate to their specific needs and interests.

There have been from time to time criticisms of federal governments, including past administrations, for not giving adequate recognition to the needs, rights and interests of Canada's first nations peoples. These criticisms have been justified in large measure and it gives me great pleasure to be able to indicate to the House today the substantive advances toward that recognition made in Bill C-78.

First, I want to point out to the House the basic scope of the process established by Bill C-78. Whenever an environmental assessment is conducted in accordance with this bill, it must consider not only the effects on the biological and physical environment as represented by the water, air, land and wildlife, but also the effects of any changes to the environment on the health and socio-economic conditions of Canadians. This means that full consideration must be given, where relevant, to the effects on aboriginal people of any development initiatives for which the federal government has a decision authority.

This is a particularly relevant clause because of the great reliance of Canada's aboriginal people on Canada's natural resources. It is sad to note the extent to which these have already been depleted and degraded and the extent to which, as a consequence, the life styles of Canada's first nations people have been changed, in some case drastically and in others tragically.

We are determined to begin to turn this around and we have introduced a number of specific provisions in the bill which will have that effect. I intend to identify and explain for members the key references in the bill to the interests of aboriginal people, beginning with the definition of federal land.

The bill applies to all projects taking place on federal land. Specifically included in that definition are reserves and other lands set apart for the use of bands under the Indian Act. This means that all projects taking place on reserves are subject to the act. To the extent the Minister of Indian Affairs has decision authority over those projects, the minister must ensure that the act is re-

spected. However, because the decision regime on Indian lands is somewhat complex, special provisions have been introduced in the bill to deal with that complexity.

First, it is important to note that the act is intended to apply in various way to federal authorities. These are decision-making bodies established under federal legislation that are bound by the provisions of Bill C-78. In order to respect the autonomy and distinctiveness of band councils established under the Indian Act, they have been explicitly excluded from the definition of federal authority.

First nation self-governments will be recognized for the purposes of this legislation as distinct jurisdictions, with the same type of intergovernmental co-operative arrangements being possible as with other jurisdictions. For example, provision is made for joint public review panels to be established with bodies created under land claims agreements and self-government legislation. It should be clearly understood that this marks a significant step forward in reshaping the relationship between the government and first nations people.

I referred a few moments ago to the complexity of decision making on reserves and the need for special measures to take account of that while preserving the important principles of this bill. While reserves are designated as federal land for purposes of this bill, considerable autonomy of decision making rests with band councils. While the federal government does not want to interfere with that autonomy, it must ensure that project related decisions taken on reserves are taken with the full appreciation of the environmental consequences. The more that can be done by the band councils themselves, the better.

To enable the federal government to discharge its obligations under the proposed act for projects on Indian reserves, it is intended that provisions be made in this legislation for the establishment of a special regulatory regime to apply to projects on reserves. This will recognize the mix of federal government and local decision making taking place on reserves and place accountability where it belongs. This means that the federal government will be accountable for the requirements of this act when it makes or explicitly shares decisions for projects.

I want to make it clear that with respect to this special regulation, as well as for others that have been mentioned during the course of debate, the government does not expect to be taken on faith. It has made firm commitments to the principles it will follow in developing the regulations. It has made those principles public and is looking forward to being publicly and openly accountable for the effectiveness of the regulations that will ensue.

If one takes the time to look beneath the skin, one finds very quickly that the Swiss cheese referred to in flights and rhetoric by certain members opposite is in reality very solid indeed and much more reminiscent of a wholesome Canadian cheddar; but, to be more explicit, in the context of the regulation for projects at Indian reserves I wish to set out for members the principles that have been adopted by the government to apply to that regulation.

First, all projects proposed to be carried out on lands reserved for Indians will be subjected to environmental assessment.

Second, a regulation will be developed to provide for assessment of proposed projects where first nations are the primary decision makers.

Third, the regulation will be consistent with the principle of devolution of authority to first nations and therefore accountability under these regulations will reflect the accountability outlined in the devolution instrument.

Fourth, the regulation will be developed in consultation with first nations and in accordance with the regulatory policy and citizens code of regulatory fairness.

Fifth, the regulation will be drafted in such a way as to avoid the placing of first nations at a competitive disadvantage. Sixth, the regulation will minimize duplication of process with other jurisdiction.

One of the most noteworthy parts of this list is the provision for direct consultation with Indian people in the development of the special regulation. This is the only way to produce a practicable, effective result that will have the commitment of all parties.

It will also enable us to recognize the differences that exist from one part of Canada to another in the way Indian people think about the environment and make their respective decisions.

The government has already begun preliminary discussions about this with representatives of first nations who have expressed satisfaction with our demonstrated commitment to effective consultation. In fact one of the practical outcomes of even this preliminary work is an environmental assessment training initiative for the first nations people so that they will have a substantive technical basis for implementing the procedures they eventually adopt.

I wish to continue to point out for members the specific references contained in Bill C–78 to the special requirements of aboriginal people. I referred earlier to the provision enabling joint reviews to be undertaken with certain aboriginal bodies. These are contained in clause 37(1) of the bill and are subject to conditions that are spelled out in clause 38.

These conditions ensure that the basic standards required to discharge federal government requirements under the law are in fact met. These are the same standards that apply to all joint reviews regardless of whether they are undertaken with the province, a foreign state, another federal body, or an aboriginal body, as I have already described.

• (1750)

The conditions are as follows: The minister can only establish a joint review panel if the minister is satisfied that the minister can appoint or approve the appointment of the chairperson or a co–chairperson and one or more other members of the panel; the minister may fix or approve the terms of reference for the panel; the public will be given an opportunity to participate in the assessment conducted by the panel; on completion of the assessment, the report of the panel will be submitted to the minister; and the panel's report will be published.

These are important conditions. They safeguard the key principles of the federal process but allow enough flexibility so as not to be unduly intrusive where that cannot be justified. In most instances it is anticipated that the degree of federal government involvement in the review will be commensurate with the significance of the federal involvement in the project decision; but as always the conditions I have just described will prevail to safeguard the federal process.

A different type of interaction between processes can occur when a body established under federal law has a mandate to conduct public reviews and to consider the environmental effects of project proposals in so doing. An example of that type of body is the National Energy Board. More recently bodies established under land claims agreements have this type of authority, for these bodies when certain conditions are met may be declared by the minister to be substitutes for public reviews under the process set out in Bill C–78. This is a practical innovation which will help avoid undue regulatory duplication and confusion, without sacrificing environmental values.

The conditions that are to be met before such substitution can take effect are not only the last three of those I just described for joint reviews, but also the review body must include in its review the very comprehensive range of environmental considerations described in clause 11 of Bill C–78. This will ensure consistency and continued high standards of federal reviews.

The reference to aboriginal people in this regard lies in the fact that such substitutions can only be allowed to occur with any body established pursuant to a comprehensive land claims agreement. The environmental assessment processes established so far under the land claims agreements have been rigorous and thorough. There is every reason to believe they will deliver sound environmental decisions.

One of the most intriguing and potentially one of the most important and powerful provisions of Bill C–78 is the manner in which the trans–border provisions relate to Indian land interests. The trans–border provisions are to apply only when there is no explicit federal government decision to be taken under clause 5 of the bill in respect of the project such as those decisions which trigger the normal assessment provisions of Bill C–78. Under the trans–border provisions, the environment minister can call for a public review and can issue a stop work order for projects that may have serious trans–border effects until satisfied that those effects are acceptable.

In respect of most Indian land interests the term trans–border is somewhat of a misnomer, but the same sort of principle applies as to interprovincial or international trans–border problems. It is intended that the

federal government would not involve itself in these matters if the other concerned jurisdictions are able to sort out their differences. This will probably make it certain that they will come to an accommodation, which is the best way as long as the environment is not compromised.

There are four distinct categories of aboriginal lands affected by this provision. These are: reserve lands, settlement lands set out in a comprehensive land claims agreement, lands set aside pursuant to self-government legislation, and lands in respect of which Indians have interests. These categories are quite straightforward, with the exception of the last one: lands in respect of which Indians have interests. This represents one of the most significant departures from the conventional, much criticized government view of Indian interests.

The government has taken a bold step in identifying in law the following four categories of land to which this is to apply. First, land areas subject to a comprehensive land claim accepted by the Government of Canada for negotiation under its comprehensive land claims policy; second, land identified and agreed in respect of specific claims or a treaty land entitlement; third, settlement lands in a comprehensive land claims agreement; and, fourth, lands set aside for the use of Indians pursuant to self-government legislation.

Unquestionably aboriginal people themselves, while supportive of these steps, will wish to see further explicit recognition of their rights to land use in certain circumstances. I am confident that the government will continue its discussions and investigations in this direction during the coming months.

As we can see, the relationship of this bill to the interests of aboriginal people is multifaceted and, for the first time, addressed rather boldly. We still have much to do in this area, but we are on track and confident the track will lead us to a mutually acceptable destination.

I would like to conclude by delving in somewhat more detail into the very innovative and important area of trans-border assessments, which I have just explored as it relates to the interests of first nations people. I believe members should be more aware of the detailed provisions of this key component of Bill C-78.

By providing for the assessment of trans-border environmental effects, Bill C-78 takes environmental assessment in Canada one giant step forward. The present guidelines order is silent on the issue of adverse environmental effects which traverse interprovincial and international borders causing harm outside the jurisdiction of their sources.

This silence produces confusion and consequently inaction. Bill C-78 ends the confusion, uncertainty, and inaction by outlining clearly the steps that might be taken in dealing with serious adverse environmental effects which cross jurisdictional borders, whether those borders are interprovincial or international or simply between lands in which Indians have interests and surrounding Crown or privately owned lands.

In each instance, before undertaking an assessment of such environmental effects, the federal government will give notice of its intention to establish a review panel to all interested parties so that they may participate in the process.

Where serious adverse environmental effects resulting from projects in Canada threaten other countries, the Minister of Environment and the Secretary of State for External Affairs together will establish a review panel to conduct an assessment. The review panel established will in most cases be one established jointly with the foreign country affected and any provinces affected.

In keeping with its promise made to the provinces during consultations on this proposed legislation, the federal government will not exercise its jurisdiction to establish a review panel to conduct an assessment of the serious adverse trans-border environmental effects of a project if he has reached an agreement with the governments of the affected provinces on another manner of assessing those environmental effects.

It is very likely that in most cases alternative methods of assessing extraprovincial environmental effects will be worked out between the federal and provincial governments through administrative agreements which are provided for in paragraph 54(1)(d) of the proposed legislation. In any event, the review panel established in these circumstances is likely to be a panel established jointly with the interested province or provinces.

However, in the hopefully rare circumstances in which agreement cannot be reached, the Minister of the Environment will be able to stop a project from proceeding until he is satisfied that any serious adverse environmental effects will be mitigated.

Section 47 of the proposed legislation creates two ministerial orders which are enforceable by way of an injunction. The first order is made at the time a review panel is established and prohibits any work on the project until the review panel completes its assessment and the minister is satisfied that the project is not likely to cause serious adverse trans-border environmental effects or that any such effects can be mitigated or are justified in the circumstances.

The second type of order is made after the review panel has submitted its report indicating that serious adverse trans-border environmental effects will be caused by the project. This order will prevent any work from occurring on the project until the minister is satisfied that the serious adverse trans-border environmental effects will be mitigated.

This government recognizes that Canadians place an extremely high value on the quality of their environment. This government has demonstrated leadership in environmental protection by enacting the Canadian Environmental Protection Act in 1988.

Bill C-78 is a further manifestation of this government's commitment to move away from the outmoded practice of react and cure and toward the principle of anticipate and prevent. By ensuring that environmental factors are considered early in the planning process of projects, we increase the likelihood that projects will have a good record of compliance with environmental protection legislation such as CEPA.

The pay-off will be more than simply a reduction in the cost and burden of enforcing environmental protection legislation. It will be a healthier environment for all of us, our children, and their children to enjoy.

• (1800)

Mr. Jim Fulton (Skeena): Mr. Speaker, I was certainly interested in the remarks of the hon. member.

Clearly he is the designated expert on the government side in relation to the impact on first nations of Bill C-78, should it become law.

I would not agree with the member's assessment though, because we on the committee have heard the expert evidence of Ray Robinson, who is presently the chairperson and head of the FEARO operation, the Federal Environmental Assessment Review Office. He confirmed to the committee in his recent evidence that Bill C-78, as drafted, does not go as far as the 1984 cabinet guidelines order does.

As someone from Saskatchewan, the member would be well aware of the catastrophic implications of government interpretation of the existing 1984 cabinet guidelines order in relation to the Rafferty-Alameda situation and also the Oldman dam in Alberta, the Alcan Kemano completion project in British Columbia or the Point Aconi coal thermal project in Nova Scotia.

I would like to lay to rest on the basis of expert evidence, the member's allegation that Bill C-78 goes further than the 1984 cabinet guidelines order, because probably the most expert person in Canada who could give such a view has already set that one to rest. The member has obviously researched and written a very thorough paper on the matter of first nations. He listed reserve lands, settlement land, lands affected by self-government and lands in which first nations have an interest.

He went on to point out that those lands that are accepted by the Government of Canada for a comprehensive claim will be able to have an environmental assessment done once Bill C-78 becomes law. I am very interested in that from the perspective of both law, from having studied the bill, and where the member received such information. I would like to know what, in the member's view—speaking on behalf of the government—would trigger an environmental assessment into the 19 comprehensive claims accepted for negotiation in British Columbia, the eight that are being studied by the Department of Justice and the three that are on their way, let alone the 582 specific claims across Canada.

Since the member appears to be expert on this, what is it that triggers an environmental assessment into those comprehensive and specifically claimed lands?

Mr. Schneider: Mr. Speaker, I am pleased that the member opposite, as astute as his experience in the House of Commons is, would tend to indicate and recognize that I am an expert on the subject to which I have spent some time speaking.

I would like to advise the member that I am not alone in being an expert in this particular category. I believe that the interest and the intent with which the government has proceeded with respect to Bill C–78 sees the member looking at a considerable number of experts on that particular subject on this side of the floor.

Therefore, I would not only like to thank him for his specific reference but for the opportunity to be able to point out that there are many experts, particularly many people with their hearts and souls behind this bill.

I would hope that when all members consider the development of this bill, we look at it for what it can be for Canada's aboriginal peoples and not try to make it the subject of much debate, which in effect simply prolongs the opportunity for providing the benefits of this bill to Canada's aboriginal communities and as well to Canada's environment.

The hon. member makes some reference to a catastrophic situation in Saskatchewan, and I would certainly like to address that. First, I had thought that it was unlikely that the question, comments and answer period following my remarks could pass without someone making reference to the situation in Saskatchewan.

I will agree with him that it is a rather catastrophic situation, but I believe I have a different perspective of that than he does. I had hoped that the particular situation in Saskatchewan, which has absolutely nothing to do with aboriginal lands, could be set aside for a time. This is the place for a debate on that subject, but perhaps not the time.

However, because the hon. member wishes to address that particular issue today, I would be only too happy to give you my perspective of what I deem to be a catastrophic situation in Saskatchewan.

Of course, he was referring to the Rafferty–Alameda dam.

Mr. Fulton: Mr. Speaker, the hon. member is correct. I referred to the Rafferty–Alameda but I referred to it in the preamble to a question. I am not sure whether the member wrote the speech he just gave or whether someone else did, but he made certain suggestions that once this bill becomes law those lands, which have been accepted by the Government of Canada for comprehensive negotiations, will have an EARP triggered upon them. I would like the member to be somewhat more specific and refer other members of the House and the first nations who are watching to the section of the bill to which he refers.

Mr. Schneider: Mr. Speaker, I would conclude that you are likely thinking, as I am, that that was no more a point of order than other things we have seen happen in another place constitutes any order at all within the elected body we represent.

I was leading up to the portion of the question to which the hon. member made reference. I was going to set aside any sarcastic references that I heard made with respect to whether or not I, in fact, had any input into the speech. Surely, I would hope that the hon. member would give me some benefit of the doubt and, in order for me to rise on this particular subject, say that I might at least have an interest.

Second, I likely did refer to some research material to put these remarks together. I am again—

Mr. Fulton: Mr. Speaker, the only reason I said what I said was because the hon. member read the entire speech. It is not usually the sign of someone who has prepared the speech themselves.

Mr. Schneider: Mr. Speaker, in spite of the gentleman's obvious physical advantage over me, being probably one foot taller and one hundreds pounds heavier, I will totally disregard the insinuation that I do not know what I am talking about, which I think is essentially the point the hon. member is trying to make.

Similarly, may I reflect upon the intelligence behind the question.

The hon. member made reference to a catastrophic situation in the preamble to a question, Mr. Speaker, and I wish to address that before I get into the final portion of his dissertation. I think I have every right to do that.

The catastrophic situation is best understood and appreciated if any member who wishes to criticize that

project were to spend some time in Saskatchewan and get to understand a little bit about the naturalness to which Mother Nature has said "Let the buffalo roam on the hay for which I have provided it". But, you, the individual farmer wishing to make a living there is going to have to use more than a little initiative to make things work in the semi-arid region of Canada that we know as the prairies.

Mr. Speaker, if I may continue with the catastrophic situation, subject to the amount of time that you are willing to let me have in which to conclude, is a situation that is caused to be catastrophic by the involvement with those that have political agendas that have absolutely nothing to do with the protection of the environment.

We hear such absolutely silly arguments, saying that the construction of a reservoir might affect some grasslands. Obviously we cannot flood a piece of land without affecting some grasslands and some of those grasslands happen to be wild natural pasture that happen to belong to the federal government which, according to the courts, require that the federal government necessarily bind itself to an environmental impact study. Now, for what cause? For what purpose, other than to delay the project and to embarrass governments that are associated with that particular project?

I say to you, Mr. Speaker, that the entire catastrophe associated with the Rafferty-Alameda project is caused by politicians, not the validity of the project, not the contribution that the water will bring to the semi-arid portion of the prairies called Saskatchewan, not the likelihood that this will provide for some irrigation spin-off, not the likelihood and the very just economic reason of providing for flood control downstream in the United States area to which these people have agreed to submit substantial millions of dollars towards the causing of that project to happen, none of those are what relate to the catastrophe. Politicians have decided that they are going to take issue because the federal government decided there was perhaps a slightly more convenient way at one stage of the process to proceed with the project. So, no, I say, Mr. Speaker. There was nothing catastrophic about this project that is caused by the project itself, but by the politicians who have their hidden agendas and wish to cause embarrassment to certain governments.

• (1810)

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I would like to come back in my speech and follow up on one of the questions that the member for Skeena put about some sections of Bill C-78 which I think are very important for us to consider, in particular when it relates to the question of first nations and aboriginal people in Canada.

I do not recall that I heard an answer from the member who just spoke. The member for Skeena posed such an important question. We did hear a lot of time being filled in, I guess, but did not hear an answer.

In any case, I am pleased to have an opportunity to speak today on a very important piece of legislation, Bill C-78, to legislate a federal environmental assessment process. I think it is clear today and on previous days that there has been considerable discussion about the weaknesses of this legislation and how it does not in fact result in the kind of rules and regulations governing environmental assessment that most Canadians are expecting from this government, given the rhetoric of the Prime Minister and others on their so-called Green Plan.

In fact, one of the comments that was made the other day at a news conference where one group of environmentalists gave the government an *f* on how it is doing on the environment, was that Bill C-78 is actually going to put in law the guidelines, which we already have. Those guidelines have become the force of law through the courts and this government has really refused to follow them.

I guess the mockery of the situation as it has developed around the Rafferty-Alameda and now the Alcan Kemano completion project really shows how much work has yet to be done on this legislation to see that we get something with some teeth and that we can all consider and review, that companies in good faith know what the rules of the road are and that other government departments know as well.

I have a couple of comments that I would like to make on the bill and then make reference to one or two specific examples that I think really shows the confusion on the government's part in current assessment procedures and what we may have as a result of this legislation.

In Bill C–78, cabinet decisions are exempted from the legislation. The government has promised that all cabinet documents will have an environmental assessment attached but that only the summaries of these are going to be made public. We are expected to trust the cabinet to do the right thing. When it comes to this cabinet we know that we are going to have to extend that trust a long way to see that that actually happens.

The legislation is discretionary, that is, it is a step backwards from the current guidelines which were ruled as binding on the government by the Rafferty–Alameda Federal Court decision. The member for Skeena made reference to the evidence given by the current chairperson of the Federal Environmental Assessment Review Office, the government's own employee, who suggested that Bill C–78 is actually a step backwards from the Order in Council guidelines that we are currently following.

Another important point is that some very important sections of the bill are left to regulations that have yet to be drafted. It is not even clear what federal legislation comes under the bill or what type of projects will be excluded. A perfect example of that was the questions that were just put by the member for Skeena concerning the application of this legislation to those claims that have been accepted by the Government of Canada, the comprehensive claims process that most members of this House are aware of. The member for Skeena asked the government member on the assumption that these claims and these lands fall under this legislation, what would trigger an environmental assessment review. That is not clear in this legislation. It is not pointed out at all.

I think a perfect example of the point I am making is the Alcan project in British Columbia, which will have tremendous impact on the Carrier Sikanni area. A comprehensive claim was accepted by the Government of Canada. Does that mean that already this government is not following the intent of its own legislation.

I think it is pretty clear that this legislation has a long way to go before it is going to be able to do the kind of work that we have come to expect.

There are two areas that I think point out pretty clearly to the failing of the government to respond and to act as a responsible government as it relates to environmental assessment. The first point is one that I think bears repeating. I mentioned it the other day in the House, but it is an important point and shows exactly what we have come to expect.

In the forestry committee, I had an opportunity to ask the Minister of Forestry an interesting question. Under the guidelines the Government of Canada, under a federally initiated program, is required to do its own internal assessment. I said to the minister: "The forest agreements are an important component of environmental and forestry legislation and programs between this government and the governments of the provinces. Do you have any initial assessments done of these agreements such that you could provide them to the committee so that we could take a look at them on the argument that an assessment here would say that these forest agreements are good for Canada."

The minister said, "No, that has not been done." That is shocking in its first statement, in any case. But he was corrected later by his officials who tugged at his sleeves said: "Mr. Minister, we actually did do an assessment." Of course, I said: "Well that's handy. I would like to see them. Could you provide the committee with these assessments? Let's see how the current Environmental Assessment Review process is being followed by this government."

It took a couple of letters from the clerk of the committee to request those assessments, and lo and behold, a couple of months later when they got around to checking through all the filing cabinets and to see if they did actually have an assessment, despite saying, yes or no, that they did, we found out it was not done. The minister was right for all the wrong reasons. It points out clearly how the government has failed since it has been in office from 1984 to see that indeed it follows these guidelines. It is a Cabinet order.

What if it had something to do with drug dealers? Would the Cabinet avoid the law, as it has with environmental assessment, if it was related to drug dealers? I think not, and I hope not. But that is an indication of just important I believe the whole environment debate has become and how important the whole question of environmental assessment has become as well.

We need to know the guideposts and the milestones so that we can pursue various projects, be they initiated by this government, joint projects initiated by the Government of Canada and the provinces, or projects initiated, of course, by various companies, local governments, what

have you. That is a pretty clear example of its failure on that point.

The second issue that I want to respond to has been brought up in the House in the past week by some of the comments that the hon. member for Skeena made. It has to do, of course, with the decision by the government to exempt the Alcan project in British Columbia from the environmental assessment review process. It is an interesting debate. There is a bit of a paper trail so we can follow the twists and the turns of the government on this issue.

Back on May 30, 1990, at page 12047 of *Hansard*, I asked the Minister of Forestry about the Alcan projects and if the government would follow through on a full review as promised by the now Prime Minister in the 1984 election campaign. I do not know if that is a reflection on this particular minister, but he answered:

> Of course there was an environmental assessment carried out at the time that the new arrangement was made.

• (1820)

We now have a decision made two Fridays ago exempting this project from the Environmental Assessment Review Process. What is it? Was there an assessment done or not? Or, is the government too afraid to proceed further with an environmental assessment because it knows a lot of the information and concerns that are now coming out would be brought to the public, it would be on oath, and it would be an opportunity for all interested parties to review this particular project.

Earlier today, the discussion in the House of Commons of June 27 was mentioned in the question of privilege raised by the member by the Speaker after Question Period today. The Speaker will be reporting back to the House on the member for Skeena's question of privilege. I would suggest a reading of the discussion in *Hansard* at page 13173 about commitments of the government as to whether it would proceed with any terms or changes to the environmental assessment guidelines while Bill C-78 was being discussed.

I know there will be a report back from the Speaker. But if it was not the technical word followed of the agreement made in the House, certainly the spirit of that agreement was not followed by the government in exempting the Alcan project from the agreement made on June 27 in the House. I expect to hear exactly what that most important ruling may be. In fact, the action taken by the Minister of Fisheries two Fridays ago may be a contempt of Parliament. It may have been a contempt of an agreement made in the House that there would not be any fooling around, if you like, when Bill C-78 was being discussed.

Why is this project so particularly important? It goes back for some time. For those who were not in northern B.C. in the 1984 federal election when this issue was being debated then. I do not recall seeing the provincial Minister of the Environment, who is now criticizing the federal officials on this matter, around the campaign in 1984. At that time, a crucial decision was made. The New Democratic Party was the only party at the time that said it should have a full environmental review and it should provide funding to interveners.

There was the election victory by the Conservatives in 1984, with the blessing then of the Liberal Party which did not support funding to interveners at that time. Its position may have changed, let us hope so. It goes back to the debate about what kind of effect and impact this project is going to have on the Nechako River, flowing into the Fraser River.

I quote from a publication called *British Columbia Report* of June 4, 1990. It is probably not subscribed to by many New Democrats and probably not considered to be a publishing wing of the NDP research group. The title alone suggests the impact: "Alcan's gigantic private fiefdom—They're taking the river from us, bitter north-central residents charge". The article states:

> The flow at Prince George will be reduced to 50 per cent of its pre-1950 flow rate.

This is after the settlement agreement that was signed by the government a couple of years ago to the point now where we have a decision to exempt this whole agreement, this massive project from the environmental assessment review guidelines. It is a shocking condemnation of the government's attitude towards this whole project and the people of British Columbia.

I hope that when the Prime Minister is in B.C. today or tomorrow he makes an announcement and that he will not allow the Minister of Fisheries and Oceans and the Minister of the Environment to get away with this. I quote from *The Vancouver Sun* editorial of October 20. It is questioning that the province of B.C. should call upon the federal government to conduct a full environmental review. It states:

> If, as the federal government claims, the studies carried out have satisfied all environmental concerns, then Ottawa and the company have nothing to fear from the full disclosure that's needed to reassure the public that the project poses no serious risks.

That is an important statement because it applies not just to the Alcan project but any other project. Good corporate citizens will ensure that their projects are referred to environmental assessment review procedures so that we know that the project that eventually comes out will be a better project or a fair project and will treat the area properly. Or, if it is not a good project, it will not happen.

I suggest that the Government of British Columbia and the Government of Canada are not sure what they have gotten into. We do have a commitment now from the provincial Minister of the Environment that, if a pulpwood agreement in the central interior of B.C. looking at the possibility of a new pulp mill in the Vanderhoof area, is issued, that in fact there will be a joint provincial major projects review process and a joint federal environmental assessment review process. Since the Minister of the Environment in British Columbia has already said there will be a joint federal-provincial assessment of this pulp mill project, we should have a commitment from the government that it will in fact participate in that review and that we will not have yet another exemption just because it is on the Nechako River. Hopefully, the residents of that area can ask some serious questions about the impact on the Nechako River and the Fraser River.

It is important that we get the Government of British Columbia there as well. By participating in this federal-provincial Alcan so-called settlement agreement exempting this from the environmental assessment review process, the government is now afraid 40 per cent of the recreational fish stock in the Nechako River will be destroyed by this project and it is going to be the taxpayers who will have to pick up the tab to rehabilitate that fishery. It is an indication of more and more information that is coming out, not just from the three or four scientists who are now on the public record expressing their concerns about this project.

Clearly, we have some legislation that needs to be tightened up and strengthened. We have to take the guidelines that are there and tighten up the whole process. That will mean that we have better environmental legislation and better government so that companies know what the guideposts are and so that we can put some action and some legislation into the green plan we are expecting some time this fall from this government. It is high time they lived up to the rhetoric of the green plan it has been talking about.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I was wondering if you have ever had an opportunity to take a trip out along the Aviation Parkway here in Ottawa. I suspect you have and I suspect you are well aware of what a beautiful part of the Ottawa area that Aviation Parkway is.

If you have been out there in the Montreal Road area, you have seen the federal housing agency of our government. Canada Mortgage and Housing Corporation's head office is out there in a beautiful setting. It is a park-like setting, a wildlife setting, a ravine setting, right in the middle of an urban area.

That particular location was acquired by the federal housing agency, CMHC, back in 1950. It was acquired at that time for the purpose of building, of course, a head office location for CMHC and perhaps for some other governmental uses. The intention at that time and it always has been since that time, after CMHC and other government agencies made use of the land they needed, was to dispose of any surplus land, to subdivide it and make sure it was put to good use, and to make sure it was used for affordable housing. I know you are aware, Mr. Speaker, as I am, and as all members of the House are that good, affordable housing is something that is very badly needed.

• (1830)

When CMHC turned its attention, after making use of all the land in the area it needed, to what it would do with the rest of the land, it was decided that it should be devoted to housing.

Mr. Fulton: Mr. Speaker, there is a very important piece of legislation known as Bill C-78 which is presently before the House, and there are fairly broad parameters to rules of relevance. I am not certain the member is

sticking to rules of relevance in relation to the Canadian environmental assessment act.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sure the Minister of State (Housing) will want to address the subject matter of the bill.

[*English*]

Mr. Redway: Mr. Speaker, I am so pleased that the hon. member for Skeena is paying close attention to my remarks. I know he is well aware that every housing development entails a whole question of environmental assessment. I know he is well aware of that, and I cannot believe for a moment that a man like the hon. member who is concerned with the environment and environmental assessment, and who is concerned with the legislation before the House, would not for a moment be aware of the fact that all of this entails the environment and environmental assessment.

When CMHC, or for that matter any land owner, wants to build a house, wants to do anything in the way of developing housing, one of the major concerns and factors that have to be taken into account is the question of the environment and the impact of that sort of development on the environment, particularly when the land is owned by the federal government and the federal government will be doing something about developing that land for housing. Certainly the hon. member would agree that the environmental assessment legislation currently before the House is something that should be considered in a case like that. I am surprised that he would even question it for the slightest moment.

After 1950 we had a situation where CMHC developed part of this land it needed on the Aviation Parkway. Now it has turned its attention to developing the rest of it for a badly needed housing subdivision. Of course, that development impacts on the environment and we have to do something about making sure that the environment is protected. That is exactly what CMHC has tried to do with the land on the Aviation Parkway.

That land does not just impact and affect CMHC and the federal government. There are a number of other governmental bodies which also are impacted by that particular piece of land. Some of these are the Regional Municipality of Ottawa-Carleton, the city of Ottawa, the city of Gloucester, and the National Capital Commission. So, there are a lot of governmental bodies involved in making decisions over what can be done with that land, whether it can be used for housing, and whether or not the whole question of the environment and an environmental assessment of that land needs to be done and what kind of an assessment needs to be done.

As a good governmental organization, the federal housing agency, CMHC, has in fact proceeded with an environmental assessment. It has retained a firm of consultants to carry out an environmental assessment of that particular piece of land for the purpose of putting together a draft plan of subdivision, which would have to be approved partly by the city of Ottawa because it is partly in the city of Ottawa, partly by the city of Gloucester because it is partly in the city of Gloucester, partly by the Regional Municipality of Ottawa-Carleton because, of course, it is in the region and, of course, partly by the National Capital Commission because it is in the national capital area.

There are a lot of different bodies that are involved in this whole question of the environmental assessment of that land, if it is to be used for housing.

CMHC has retained the firm of Winters and Associates to carry out an environmental appraisal and to assess the tolerance of that particular piece of land and its environment for the purpose of developing housing on that site.

In fact, it is interesting to note that in this day and age, a careful observation is carried out on a piece of land like that by the residents in the area and by various environmental organizations, all of whom are keeping a careful eye on land such as that to make sure that there is an environmental assessment carried out and that that environmental assessment complies with all the rules and regulations that are in place.

In fact, the Ottawa Field Naturalists Club is one of those which is keeping that particular piece of property under very close observation. As one who belongs to the Field Naturalists Club of Metropolitan Toronto, I have great sympathy for the fact that it is keeping a close eye on this particular situation. In fact, it has raised with me a number of concerns about the unique qualities of that

particular piece of land and its concerns with respect to what will happen if that is turned into a housing project.

I think that is typical of the concerns that Canadians right across this country have with the environmental impact and environmental concerns relating to housing projects and all sorts of other kinds of projects that may be carried out by the federal government, any of the agencies or Crown corporations of the federal government or by the private sector.

I think it is particularly important that all of us bear in mind the environment when dealing with a situation like this. Fortunately, in the case of this particular piece of property, CMHC has received a report from Winters and Associates, who did this assessment, which concludes that in their opinion as professionals in this field, there are no rare and/or significant environmental features located on CMHC lands. Therefore, no special consideration is required during the construction.

That is an opinion of some professional appraisers, and it may or may not be accepted by the general public, or by environmentalist organizations such as the Ottawa-Carleton Field Naturalists Club. That assessment and the procedure that is being followed is one that is being followed under the present guidelines and the present environmental assessment regulations that are in place as far as the federal government is concerned.

Of course, we know that as a result of at least two court decisions and concerns expressed on all sides of this House and by Canadians across the country, there is not the kind of confidence in the current rules and regulations that you and I believe Canadians should have in the environmental assessment process that is currently in place for the federal government and for federal government agencies. That is demonstrated as well, to my mind, by a recent survey that I carried out with some of my constituents. I asked them a variety of questions relating to the environment. I asked them a series of questions, eight questions in fact, and asked them to express their opinion on whether they were concerned, unconcerned or very concerned about those eight different areas of the environment. I guess I was not surprised but the results that came back to me indicated that a minimum of 55 per cent of my constituents were very concerned about every one of those environmental questions.

• (1840)

I think that certainly illustrates for me, and I think illustrates for all of us, the feeling that all of our constituents have, particularly these days, about the state of the environment, their concerns with the environment and their feeling that we have a responsibility on their behalf to make sure that the environment is protected and that it is cleaned up where there are pollution problems.

In the light of those concerns, and in the light of the fact that the federal government has a vast number of projects and undertakings which impact on the environment—whether it be the development of land for housing or whether it be some other projects which are intended obviously to be for the public benefit and for the public good, but at the same time intended to bear in mind the concerns which all of us have in relation to the environment—it is important to assess the bill that is before us and to bear in mind, at the same time, the progress and the path that has been taken over a number of years, not only by the present government but by past governments as well with respect to trying to deal with the assessment of projects of this sort as far as the environment is concerned.

You are aware, as I am, Mr. Speaker, that the first environmental assessment process was put in place by the Government of Canada in 1974. That was updated in 1977. In 1984 the present process was put into place. That process was the environmental assessment review process guidelines that were issued, as you will remember Mr. Speaker, by Order in Council. When CMHC or any other federal Crown corporation or any other federal department goes to proceed with one of these major undertakings, they are faced at the present time with these Order in Council guidelines that were put into place in 1984.

Those guidelines do not have the kind of teeth that we and Canadians are looking for in the year 1990. That of course is why the government has introduced the Canadian environmental assessment bill, Bill C-78, the one that we are debating at the moment.

I think it is very significant to point out the differences between that old set of guidelines and the current bill to show what the changes are that have taken place and the way in which this process is being strengthened and strengthened enormously by the bill that is before the

House and that is being put forth today for passage at second reading.

The first of those differences is the fact that the process we now have, the process put in place in 1984, is merely a set of guidelines that were put into place by Order in Council. What we have before us now is an actual bill, a piece of legislation that has much more in the way of teeth and much more in the way of permanency in law than an Order in Council. An Order in Council can be revoked at the snap of a finger, as you know Mr. Speaker. However here we have an act which would have to come before this Parliament again for amendment or change in any way.

At the present time under those 1984 rules and regulations that were put in place we have decisions that can be made in respect of having environmental assessments which lie strictly within the control and the jurisdiction of a minister of the particular department that is involved and is putting forward that particular public work or that particular development.

That is changed under this piece of legislation. In fact it is now the Minister of the Environment who will have the say, not the line minister, and therefore the question of the potential conflict of interest which was there when the line minister had the decision-making process as opposed to an entirely different minister will not be there. It is the exclusive responsibility of the Minister of the Environment to protect the environment. That is an enormous change. It is making sure that we do have a minister responsible exclusively for the environment who is now in charge of this whole process.

It is not something which can be decided just by the minister who wants to put forth the policy. It is not something which could just be decided by me any more. For instance, I might want to develop this piece of land. I think it is a good idea. I think it will be of great benefit to Canadians to have some more affordable housing on this land; but at the same time this bill would remove that decision-making process from me and put the environmental assessment aspect in the hands of the Minister of the Environment. That is a real advance on the process in place at the moment.

In addition, the rules and regulations of the 1984 guidelines are currently the ones that we have in place. They certainly are not clear and they are certainly voluntary. The ones set out in this bill are going to be explicit requirements through regulations. They are not going to be voluntary any more and they are not going to be unclear.

As well it is important to remember that at the present time there is no system or process in place for an ongoing evaluation or reporting on the environmental aspects of any of these undertakings by the government, whether it be a housing development or whatever. Under the bill which we are debating today, the bill which hopefully will be in place with the help and co-operation of all members of the House on both sides, we are going to have a regular ongoing process of examination and reporting.

Under the current rules, regulations, and guidelines that are before us there is nothing in the way of mandatory requirements for environmental assessments, but under the bill before us now there will be a list of projects that will require mandatory assessments.

I have just touched on a very few of the major changes that will be brought about as a result of this bill, but as you can see, Mr. Speaker, there is a very major change, a very major improvement. The bill will strengthen the process immeasurably. It will produce a process in which you and I and all Canadians can have confidence that our environment will be taken into account and dealt with properly by the Government of Canada when it undertakes one of its many, many projects for the good of Canadians, whether it be housing or anything else.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am afraid that what we have just heard from the hon. member opposite is an example of what is wrong with the government's thinking on this issue, and what is wrong with the government's understanding of its own bill and what it is trying to perpetrate.

• (1850)

The minister has said that the current guideline orders are voluntary, not mandatory. I think he must be saying that in the absence of having read either of the three court decisions in the last year concerning the Oldman River dam or the Rafferty—Alameda dam, because he would know that the courts have said very clearly that it is not voluntary, that it is not discretionary, that it is required.

We put against that what this bill does in giving cabinet a great deal of discretion as to whether an environmental assessment will or will not be carried out and in giving cabinet the ability to exempt major classes of projects from any environmental assessment whatsoever. The environmental groups which have said that the court decisions put us in a stronger position *vis-à-vis* the environment and the requirement for a public review than this legislation are absolutely correct.

I want to go to a more specific problem that directly affects the minister's portfolio and how he is going to interpret the mandate of his department with respect to the environment and sustainable development.

Some of my colleagues have pointed out that the bill does not deal with sustainable development. It is very clear from the minister's comments that he and probably the rest of his colleagues do not understand or have not even started thinking about the whole principle of sustainable development. If the minister had done so, he would certainly not be satisfied with an assessment from any consultant that simply says there are no environmentally sensitive features on the land.

He would be asking important questions like the following ones. How much housing are we going to be developing? How much energy is it going to use? How much water is it going to pollute? How can we ensure that development on this site takes into consideration all principles of sustainable development, minimizing our use of resources, minimizing our production of wastes, and minimizing our pollution of water? Only then can he as minister of housing say that his department is truly looking at principles of sustainable development in every program it has.

We have a very good example of this in Lebreton Flats where the federal government is coming forward with plans and has paid absolutely no attention to principles of sustainable development, as I have just been discussing them.

I wonder if the minister can tell me if he is prepared to get himself a little more educated, so that when he is responsible for the development of urban areas, as he is in most cases, he will ensure that the developments that his department is funding are in fact minimizing their impact on the environment and on the use of resources.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I am very pleased to have heard the hon. member's question and her comments as well.

I might say my comments related to the fact that the 1984 rules and regulations or guidelines that were put in place by the former government, of which party she is a member, indeed were intended to be voluntary. Certainly there have been decisions since then of the courts and they have changed the interpretation of those guidelines, but the former Liberal government which put the 1984 guidelines in place certainly never intended them to be anything else but voluntary.

This government is introducing a piece of legislation which will change all of that once and for all, clearly set it out, and we will not have to rely on the courts to tell us that there is something firm in place there.

The hon. member has also referred to the question of sustainable development. While she has touched on two aspects of sustainable development, she has neglected the third aspect which is a very important aspect as well and one which I, the federal housing agency and my officials take very seriously and are applying in each and every case now and will be in the future.

The first is the whole question of the physical environment that is there. We have to take that into account. Also taken into account is the actual development of the housing and the economic factor. Third, taken into account in the whole area of sustainable development is the social factor and what sort of impact that has on the entire social fabric.

One of the important aspects of that is the whole question of ghettoization, the importance of making sure that we have mixed communities and that we do not create social problems by the housing developments we put in place.

Sustainable development is more than just the economy and the environment. It also entails these social aspects and the quality of life. All these are things the Government of Canada, the federal housing agency, CMHC, and I personally, are taking into account. I hope that the hon. member will have a chance to read some of the speeches that I have given in the past on the question of sustainable development. I know she will find them most interesting.

Mr. Jim Fulton (Skeena): Mr. Speaker, perhaps I can paraphrase what the minister was saying. He has indicated his concern that the 1984 cabinet guidelines order is unclear but that he believes the regulations to be included in Bill C-78 will clear that up.

I am sure the member is aware of the problems surrounding the Rafferty-Alameda, the conflict between the federal and provincial governments on the Oldman River dam, as well as in relation to Alcan's Kemano completion project in British Columbia that was exempted from the existing guidelines by Order in Council.

The member has stated for the record that he believes that one of the problems with the existing 1984 cabinet guidelines order is that it is unclear. He also suggests that there should be a clearly understood mandatory list where environmental assessments are applied automatically. Would the member not agree that those three projects—the Rafferty-Alameda, the Oldman River dam project and the Kemano completion project—are precisely the kinds of projects that should undergo a full public environmental assessment?

Mr. Redway: Mr. Speaker, I appreciate the hon. member's question and comments with respect to this bill. They indicate that he shares my concern and the government's concern to put this piece of legislation into place as rapidly as we possibly can.

The old 1984 guidelines were full of flaws and problems. They were certainly unclear. They were intended to be merely voluntary guidelines and nothing else. This piece of legislation will clearly change all that. It will be a change for the better, a great improvement.

I know the hon. member agrees with that and I know the hon. member will want to urge his colleagues to pass this legislation very quickly. He has about one minute left this evening. I would suggest that we allow this bill to pass on second reading unanimously right now.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CHILDREN'S RIGHTS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, on October 2, 1990, I directed a question to the Prime Minister with regard to the imposing of GST on children's clothing, boots, and on the heat that keeps them alive in the winter. I had a very unsatisfactory answer to my question.

On September 30, 1990, our Prime Minister was addressing the United Nations, some 70 leaders, regarding child poverty in the world.

• (1900)

I was very pleased to see the Prime Minister taking a leadership role outside our country with regard to children. I think that it is extremely important that we think of our children because our children are our future. However, I would certainly much prefer to see him take a leadership role here in Canada with regard to our children.

When we talk about our children and the GST, we must realize that this tax will, for the first time, impose a federal sales tax on children's clothing. Anyone who has raised a family, who has had children in this country, knows how difficult it is to keep a child adequately dressed for winter conditions. One cannot say: "He will be fine," or "She will be fine". We know they grow very quickly. In the wintertime they need skidoo suits, boots, mitts, gloves, and hats. Children being children, they grow. They outgrow these things. They lose their mitts. They lose their hats. So the parents have go out and buy more. All of this now will be taxed.

We also know that one-third of all of our children in Canada live in poverty. You will say to me, Mr. Speaker: "We have this tax credit, this wonderful tax credit". Let me begin to tell you that this will not come close to

helping these people when they have to suffer the nefarious results of this tax on their livelihood. It may help some of the poorer people. These people are already having a very difficult time. They are going to have an even harder time.

Let us speak about our middle income people with families. We are going to be discriminating against them. Again they are going to have to suffer and pay this extra money because they have children. We should be helping them, not hindering them.

We talk in terms of heating our homes. We know how difficult, how large and how cold many of the regions of our country are. I do not know, Mr. Speaker, if you have ever been cold in the winter time, but it is not funny and especially when you are a little child. How can this government be imposing a tax on heating, on the fuel to heat our homes, for these families with children, these poor families, these middle income families. It is as vital to our life here in Canada as food. Yet this government persists in imposing this tax.

Now we have the crisis in the gulf. This will escalate inflation. It will escalate the cost of heating our homes. Again the tax will come on top of this.

I wanted the government to take note of how difficult life is for families, for just average families, as well as poor families. Can the government please reconsider its tax on some of these items? It is not fair to say to the future generations: "We are going to give you a few dollars today so we can help you out". This tax is extremely regressive. It is extremely regressive because of the size of our country.

The parents of a child who live in the far north of our country will have to pay far more for that piece of clothing. By the way, there is no manufacturers' sales tax on clothing right now. There may be minute taxes buried somewhere here and there, but there is no real manufacturers' sales tax on clothing. In any event, added to the cost of manufacturing that piece of clothing will be the cost of shipping it to wherever this child or this family lives. The further away it is, the more costly it is. Add to it the cost of transportation now the escalation in the cost of fuel. Again the cost of this skidoo suit, the hat, or the mitts will be even higher. The farther away one moves from the major centres, the more costly it is going to be.

When we speak about how regressive this goods and services tax is, that is what we mean. We mean that they are going to cause even more difficulty for those people in those areas that are far away from the major centres, those same areas that have the longest winters and the longest nights, where hydro or light is essential. It is essential if these children want to learn, to go to school, because without light they cannot read.

• (1905)

This brings me to another topic concerning the GST which is to be applied on reading materials. Again we are going to be taxing learning. How do we expect to have another generation of people who can know more and can compete in the world around us. We have said it and this government has said it: training and retraining is the answer. Yet we are going to tax the very books by which they will learn.

It is absolutely incredible that this government persists in imposing this tax at this time when businesses are closing down, when people are losing their jobs, and when fuel costs are escalating.

I beg this government to reconsider, to wait a little while perhaps. If it must have this tax, it should at least wait until this recession slows down and the economy of the country is in a better condition to withstand the harshness of this tax.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the hon. member for Sudbury is asking the government to drop the GST. What the hon. member did not say is that her leader, who recently was obliged to declare his position because he is now running in a by-election in New Brunswick, said that he did not know what kind of tax it might be but did not dismiss the possibility that he might keep the GST in its present form, because he realizes that the only way to a fairer tax system is to introduce the goods and services tax.

Mr. Speaker, I agree with the hon. member that the situation of poor children in Canada is dramatic. We have been saying this for a long time. It is absolutely incredible. The gap between rich and poor is widening, and obviously we must do something about it. What we can do, as a responsible government, is to take the money from income tax and other taxes and redistribute it to Canadians who need it most.

The hon. member forgot to mention that when we came to power in 1984, we found a horrific debt which is now taking on gigantic proportions. Everyone agrees that

we must pay off the federal debt and the deficit. Mr. Speaker, just imagine all the money we are spending just to pay the interest on the interest on our debt. If we had only 50 per cent of that money to hand out to poor children, I think there would be fewer, if any, poor children left.

We must get at the root of the problem. As I see it, if we go on, it will get even worse, because we will have no money to redistribute.

In her question to the Prime Minister on October 2, she mentioned the world summit on children's rights. I think it was the first time the United Nations, in fact the first time ever that a children's summit was held and an international declaration was drafted on the survival, protection and development of children, with a corresponding plan of action. We are committed to putting in place a national action program to help children. Mr. Speaker, I think much remains to be done. This is one of the issues I am very much concerned about. There are children who are mistreated, but there is also the very distressing question of child sexual abuse. And now, for the first time, there will be a national office to co-ordinate the activities of all federal departments with a mandate in this area, and I think that is a good sign. We need the help of all parties in this House to find long-term solutions. Mr. Speaker, in concluding I think the hon. member will agree that the best way to find those solutions is to get the money, from income tax and other taxes, and redistribute it to the poor children of this country.

[*English*]

GOODS AND SERVICES TAX

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, this is the first time I have participated in the late show, so correct me if I get off track here.

• (1910)

My purpose in speaking this evening concerns a question that I put to the Minister of Finance on Friday, September 28. I asked him why he continued to say that business in this country was basically supportive of the goods and services tax when, in fact, over 90 per cent of the business in this country is opposed to the GST. I was kind of wondering why he kept saying this when it was a fallacy.

The second part of my question was: In light of this current economy, why would he be proceeding with the goods and services tax when the sectors of our business community such as construction, retail and tourism were the sectors that were hardest hit by the GST?

Of course, in his second answer, the Minister of Finance talked about some visitor that he had to his office. He was nowhere near the answer to the question.

I put this question to the Minister of Finance because I am hearing day in and day out, not just from my own constituents, the small businesses in my community, the butchers, the bakers, over 300 restaurants in Broadview—Greenwood, small and medium manufacturers, that at this point in our economy, we do not need another tax.

When even the largest supporter of business, the group that represents the largest 150 corporations in Canada, the Business Council on National Issues, presented its submission to the Standing Senate Committee on Banking, Trade and Commerce, in the initial pages of the representation, Mr. D'Aquino said that by international standards, we already impose a heavy income tax burden on our citizens.

In 1987, almost 40 per cent of all tax revenues raised in Canada came from personal income tax. This was higher than any any of the G-7 countries.

What we have today is a system in our country. The Minister of Finance is really misreading this whole tax problem. The GST has really become the lightning rod, but the real problem is that our fundamental Canadian Income Tax Act with its regulations comprises a document of almost 15,000 pages, rules, regulations, exceptions, exceptions to exceptions. Most honest tax lawyers and tax accounts who represent these businesses will admit to you that it has gone beyond control.

They no longer understand what is going on in this tax act. So, the Minister of Finance, in the middle of a recession is not only ignoring the fact that the fundamental tax act is wrong, he comes along and adds the GST, a goods and services tax which also has all kinds of rules, regulations and exceptions. People are going out of their minds with complication.

In his answer to me, he said—I give him credit for this—that there are elements of the GST that some parts of the business community do not like. That does not, in any way, take away from the importance to the business community and to the economy of Canada for

getting on with what is widely regarded internationally as one of the best things we can do to improve the competitive position in our economy.

I have been listening. This is something that the Minister of Finance really does not want to participate in, which is primarily what a member of Parliament's responsibility is supposed to be. We are agents of our constituents here. We are supposed to be listening to them.

Do you think I would be standing here talking about this if my constituents were not really delivering me a message? The secret to world class competitiveness is to treat people fairly.

• (1915)

How can you motivate people? How can you change the attitude on the shop floor and in the executive office if there is a feeling of unfairness and the basic system is unfair?

Mr. Speaker, what I am telling you is that phase one of this government's tax reform has not been done. Phase two, which is the GST, is not fair, and this unfairness is a disincentive to productivity, the productivity that the minister hopes we can get in this country.

The minister continually says that there are no alternatives. Professor Brooks has put forward an alternative. You know that I have worked hard with many people across the country on the single tax, which is a much more simple, fair, efficient and workable system which will bring the government the same amount of revenue.

There is also a system from the University of Toronto called the alternatives to the goods and services tax. So, Mr. Speaker, I wish and I plead through you to the Minister of Finance that when he stands up to answer questions in the House that he stop following that line, what is the line we are going to put out, and really try to deal directly with the questions put to him.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am saddened to hear my colleague on the other side of the House say that his constituents do not understand and do not accept the GST. Mr. Speaker, I should think that the first responsibility of a member is indeed to explain to the people the nature of the legislation adopted by the House of Commons. And if the constituents of my colleague do not understand the GST, his duty is to explain it to them, not to criticize it. In response to my colleague's arguments concerning Canadian companies, here is what Canadian Appliance Manufacturers Association Vice-President Steve Snyder had to say, and I quote:

> The Canadian appliance industry believes that the GST will go a long way towards increasing fairness in the sales tax system.

Stephen Baker, Chairman of the Committee on Intergovernmental Relations of the Canadian Gift and Tableware Association stated, and I quote:

> Our association supports the GST because it feels that during the 90s and at the beginning of the next century the GST will lighten the tax load of the manufacturing sector and spread it more equitably among all sectors of the Canadian economy.

Here is another statement, this time from Canadian Manufacturers' Association Vice-President Jim Wright:

> CMA officials have been advocating a reform of the sales tax for over 35 years, and they are quite pleased that their proposition has finally been acted on.

For his part, CMA President Laurent Thibault stated:

> As you will see for yourself the comments we have had indicate that most of our members support the goods and services tax.

And this from Strong Equipment Corp. President Jordan Sullivan:

> The industry is in favour of the GST [—]

Ingersoll-Rand Canada Inc. Controller Charles England put it this way:

> The new tax will solve that problem because we will no longer have to determine whether a product is taxable. Collecting the sales tax will be simplified.

Stelco Inc. President Frederick Telmer said this:

> The new goods and services tax—applicable to consumer goods rather than income—is a worthwhile measure.

And from WCI Industries Ltd. Chairman and Chief Executive Officer Bill Lutton:

> WCI Canada management endorse the tax because we believe the new tax is a positive measure which will make the sales tax system fairer and more readily understandable.

In New Brunswick, Maritime Beverages Ltd. Manager Marvin Corscadden sees it this way:

> The GST seems to be more advantageous than we first thought.

Another opinion, this one from steelmaker IPSCO Inc.:

> Without the federal sales tax a good many IPSCO customers will be more competitive and, by the same token, find it a lot easier to market their products.

Finally, a word from the Canadian Construction Association:

> The GST will lower prices in the non-residential construction sector.

Mr. Speaker, I could go on and on, but instead allow me to give my colleague a list of people and Canadian industries that support and understand the GST.

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.21 p.m.

HOUSE OF COMMONS

Tuesday, October 23, 1990

The House met at 11 a.m.

Prayers

[*Translation*]

Mr. Speaker: Before the business of the day commences, I feel obliged to refer to comments I made following the point of order by the hon. member for Saint-Denis yesterday and a point of order that was supported by the hon. member for Burnaby—Kingsway.

I want to make it very clear to the House that my comments meant no reflection whatsoever on the House or the House leadership. I also am prepared to acknowledge that whatever my views might have been at the moment, I probably went further than a Speaker should. The rule remains the same; this House can do by consent what it wishes to do. I am sorry if I have caused any undue anxiety for any of the House leadership. That was not my intention.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

NORTHERN TAX BENEFITS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, under Standing Order 36 I would like to present four petitions, in which the petitioners call upon Parliament to reject the report of the task force on tax benefits for northern and isolated areas. The petitioners are residents of my riding of Cochrane—Superior, from the towns of Manitouwadge and Cochrane.

On behalf of the 278 petitioners who rely on this tax benefit, I must reiterate the importance of this deduction to northern communities. The government is presently studying the report and it is imperative that it reject the recommendation presented in this same report.

GOODS AND SERVICES TAX

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour, the pleasure and, in fact, the duty to table today a petition in this House, signed by residents from a number of communities in my riding, including Prince George, Vanderhoof, McBride, Burns Lake, Willow River, Cluculz Lake and Penny. The petitioners express concerns about this government's policy as it relates to taxation, specifically, their opposition to the goods and services tax.

They hope and pray that this Parliament, including the Liberals in the Senate, will do its best to try to defeat this tax.

WHARFS AND HARBOURS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am honoured today to rise, under Standing Order 36, to present a petition, signed by many residents in my riding who are concerned about the maintenance of wharfs and harbours in Prince Edward Island.

The petition states that whereas, the Government of Canada has a duty to provide properly maintained wharfs and harbours; whereas many of the wharfs in Prince Edward Island are in a deplorable and unsafe state and require major repair; and whereas the fisheries is one of the most important industries on Prince Edward Island, these petitioners ask the government to proceed with the necessary maintenance and repair and ensure the safety, in future, of the fishery in Prince Edward Island.

GOODS AND SERVICES TAX

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is my honour and duty to table a petition which has been certified correct as to form and content by the clerk of petitions.

The petition is signed by a number of residents of the province of Ontario, including people from Toronto, Burlington, Simcoe, Hamilton, Brantford, Scotland, Waterford, and Cayuga.

All of the petitioners, Mr. Speaker, are opposed to the goods and services tax. They point out that the government is now trying to tax reading, haircuts, diapers, coffins, and home heating fuels and, perhaps, depending

on the intention of the Prime Minister, books. They call upon Parliament to reject the current proposal for a goods and services tax. They want reform of the tax system so that there is an effective minimum tax on wealthy individuals and corporations.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise, pursuant to Standing Order 36, to submit to you a petition that I have here in my hands, from a number of Canadians who are very angry. They are angry about the goods and services tax and they have said so in this petition to which they have affixed their names.

Among the things which they are angry about, as I read this petition, is that they are unhappy about the goods and services tax touching such areas as haircuts, fast foods, piano lessons, and even consumer loans which they take out to pay the taxes. But they are angry too because, last night, the Prime Minister indicated that he might be fudging with the tax and they did not have a chance to put that "fudging" stuff into this petition.

In consequence, I submit this petition in anticipation that there will be more to come, because of the fudging last night by the Prime Minister.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too have the honour of presenting a petition on behalf of a number of constituents from Kamloops, British Columbia, who point out their concern that the government, apparently up until last night at least, was planning to tax reading material.

This, of course, would include young children's story books. Parents sit with their children in the evenings and attempt to teach them reading and listening skills. The government was going to tax this but we have heard that the Prime Minister may be changing his mind on this and we certainly hope that he does. The petitioners are asking that the whole tax be chucked out. That is on the reading materials, Mr. Speaker, and I have a petition on another matter.

• (1110)

Mr. Speaker, another group of petitioners from western Canada point out a whole list of concerns and why they oppose the government's decision to proceed with the unpopular goods and services tax.

They point out that while 85 per cent of Canadians do not want this tax because it will be inflationary and consequently encourage a further increase in interest rates. They ask the government to back off from imposing this very punitive, cruel tax on the people of Canada.

* * *

INTERPARLIAMENTARY DELEGATION

REPORT OF 36TH COMMONWEALTH PARLIAMENTARY CONFERENCE IN HARARE

Mr. Girve Fretz (Erie): Mr. Speaker, I ask leave of the House to revert to Reports from Interparliamentary Delegations.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to revert to Presenting Reports from Inter-parliamentary Delegations?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The hon. member for Erie.

[*English*]

Mr. Fretz: Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House in both official languages the report of the official parliamentary delegation which participated in the 36th Commonwealth Parliamentary Conference in Harare, September 14 through September 22, 1990.

During the time of that conference, the Canadian delegation was well represented in the plenary and committee sessions on important topics such as South Africa and its problems, one of the important issues that was dealt with during that conference.

I just want to inform all members of the House on all sides that we can be proud of all the members who participated in the debates.

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

[*Translation*]

The Acting Speaker (Mr. DeBlois): Reverting to petitions. The hon. member for Scarborough Centre.

[*English*]

PETITIONS

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am pleased to present a petition pursuant to Standing Order 36. The petitioners who have signed this petition are from Scarborough, Peterborough, Toronto and Lakefield.

The petitioners submit this petition in respect to disclosure of food content in packaged food. This is a very serious issue. I was moved on this particular issue because of the premature death of Robyn Allen, age 15 years, and other young people whose lives have been snuffed out because of a severe allergy reaction.

The petitioners are calling upon this Parliament to amend the food and drug regulations to require manufacturers to list specific food ingredients and additives used in pre-packaged foods.

In addition, in this petition, they request that restaurateurs and food retailers be required to provide, on demand, to customers a list of all food ingredients, including additives in prepared foods.

GANNET ROCK LIGHTHOUSE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am pleased to present a petition from the residents of Grand Manan Island, pursuant to Standing Order 36. The petitioners call upon Parliament to maintain the staffing of the Gannet Rock lighthouse.

I want to take a minute to explain this petition. It is a very important one to the residents of Grand Manan Island. Gannet Rock is a lighthouse in the Bay of Fundy. There is a great deal of commercial traffic in this area, notably tankers on the way to the largest oil refinery in eastern Canada.

This lighthouse has been in service from the 1800s and we do not want to see it automated. We do not want an automated lighthouse there. We believe it is important that the residents of the island continue to have the kind of service they have today, in other words, a manned lighthouse to preserve the environment of that area. It is critical that the lighthouse be maintained the way it is.

The residents of the island have signed this petition and I do present it on their behalf.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA PUBLIC PARTICIPATION ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-84

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)) moved:

That, in relation to Bill C-84, an act respecting the privatization of the national petroleum company of Canada, not more than one additional day shall be allotted to the further consideration of the second reading stage; and

That 15 minutes before the expiry of the time provided for government business on such day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question necessary to dispose of the second reading stage of the said bill shall be put forthwith and successively, without further debate or amendment.

He said: Mr. Speaker, I would wish to take a few moments to speak briefly to the motion I have introduced.

I think it is fair to say that we have introduced time—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I regret to interrupt the debate, but I have had precious little experience as Assistant Deputy Chairman and I cannot learn the finer points of procedure overnight. Indeed, first I have to read the motion now before the House.

[*English*]

The hon. Minister of State for Privatization has the floor.

Mr. McDermid: Mr. Speaker, I think you are doing fine in the Chair. You do not have to apologize to the House at all.

As I was saying, Mr. Speaker, we have introduced time allocation because the system in the House of Commons is that the House leaders get together to discuss what business the government has and how it will be carried out. If an agreement cannot be reached to allow so much time for debate on a certain bill, then the government has some options at its disposal. One, of course, is to allow the debate to carry on, as some people would say, *ad nauseam*. Another option is time allocation where the government specifies a certain number of hours or a certain number of days to debate the bill. Another is one that we hear all the time about closure. The government announces that it will just shut down debate. The debate carries on in the House that day until one o'clock in the morning and then the vote takes place.

It is my understanding, and I find it rather interesting, that in the British House all legislation is given a time allocation, if I can put it that way. The parties sit down and between them say that this is a very important bill, we will debate this for 20 hours. This is not so important, we will debate it for an hour, and so on. That way the order of business is controlled in a much better way in the British Parliament. It is something that I would urge this government and the opposition parties to sit down and discuss, because I think it makes sense.

One of the things that I hear from people when I go to my riding on the weekends is that they do not understand, when the government has a majority, why it cannot get its legislation through.

An hon. member: Forty-three per cent is not a majority in modern day mathematics. You're at 15 per cent now.

Mr. McDermid: Well, the NDP has a majority government in the province of Ontario and it got 37 per cent of the vote. The NDP says it has a majority government. I have heard the premier, an NDP premier, say it has a majority. So, all the cackling from the NDP at the present time is nonsense.

• (1120)

As I was saying before I was so rudely interrupted by the hon. House leader of the New Democratic Party—he has a tendency to be doing that these days as he is hurting a bit—we are in a position in which we have a legislative timetable and we want to proceed with it while at the same time allowing debate in the House and getting legislation into committee where it can be examined on a clause-by-clause basis. That is what we are doing today.

I want the public to understand clearly that we will have four full days of debate on the Petro-Canada legislation at second reading. It will then go to a legislative committee which will call witnesses, examine it on a clause-by-clause basis, and make its recommendations back to the House at report stage. Then we will have a third reading debate.

I am sure the opposition will disagree, but we feel that that gives ample time in the House of Commons to carry on a reasonable debate during which genuine points can be made by every opposition party. They have their concerns, and that is fair. They have ample time to express those concerns in this debate. They have had two days already. There will be today and tomorrow as well.

I will close my remarks because there are a lot of people who do want to debate this bill and participate in the privatization debate on Petro-Canada, but I would like to note this. This morning on Peter Gzowski's show on CBC radio there was a discussion with three people representing different parties. There was the Hon. Marc Lalonde, who is a former minister of many positions in the Liberal government. There was Rosemary Brown from the New Democratic Party, a very prominent member of that party and former member and cabinet member in British Columbia, and Dalton Camp.

The three of them were discussing Petro-Canada this morning, and it was rather interesting. Rosemary Brown asked Mr. Lalonde the question: "Since you were around when Petro-Canada was put together, was one of Petro-Canada's goals or reasons for being in existence to control oil and gas prices, the petroleum prices, at the pumps?" Mr. Lalonde said: "Never. It was never considered for that. It was never envisaged that that would be one of its responsibilities as a Crown corporation." Of course, he was expressing the government's opinion at the time it was established.

The other thing that he said this morning, which I found rather interesting, was that he has no trouble with the privatization of Petro-Canada. He feels it does not serve a public policy purpose, and that there are other areas such as the Petroleum Monitoring Agency and the Canadian Oil and Gas Lands Administration that give us

the window on the industry. Therefore, he has no trouble with the privatization of Petro-Canada.

I wanted to publicly thank Mr. Lalonde for his endorsation this morning. Since he has returned to the private sector, he has started to see things in much better perspective. I want to thank him for that publicly today.

In closing, I want to say once again that we feel, because we could not reach agreement with the opposition parties to manage the business of the House in respect of Petro-Canada, that we did have to bring in time allocation to allow today and tomorrow for debate. Then we will have the vote tomorrow so it can go on to a legislative committee.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am proud to take part in the debate on the time allocation motion moved by the Minister of State for Privatization and Regulatory Affairs, but nothing more. I believe I made this speech a number of times in this Parliament and I regret having to do so once again. The minister has introduced a motion to limit debate to only two days, today and tomorrow. These would be the third and fourth days of debate on this bill, and that is not enough. The minister knows that full well, and I think the government has taken a dictatorial approach as to how the business of the House is to be conducted.

[*English*]

I am going to continue to expound on the theme because I feel it is time again to expose the government for its shocking approach to Parliament and parliamentary debate.

The minister says agreement could not be reached, as though agreement was somehow necessary in this kind of debate. Surely, on a bill that is opposed by the opposition, there should be a reasonable time for debate. Yet what is the record on this bill? We have had two days of debate so far. Four hours and ten minutes is the total time that has been spent in the Chamber debating this bill. We have the government saying it is time to draw this to a close.

Four of our members have spoken. That is four members out of approximately eighty in the Liberal caucus who have had an opportunity to participate so far in the debate on this bill. Yet, the government now takes the view that it is time to close off debate.

I must protest this in the very strongest terms. In my submission it is improper for the government to be constantly using this rule. The Minister of State for Privatization says to look at the British experience and we should follow that. This House is not the British House. This House has different traditions from what the British House has. The tradition has been to allow for freedom of speech and freedom of debate in this House. This government is intent—I could use other words—on limiting debate at every opportunity.

I would like to go through the list of closure and time allocation which we have suffered in this Parliament at the hands of this Draconian and uncaring government. It is really a disgraceful record. We have had closure applied, and I am referring to closure under Standing Order 57, 13 times in this Parliament to date. We have had time allocation applied six times and today is number seven. Bear in mind that when time allocation is applied, it often can cover two stages of a bill at once, that is, report stage and third reading. In fact, that is exactly what has happened. I am not counting those as double whammies. I am only counting those as single episodes. That is six times without counting them twice.

Let us go back to the list. I invite members to listen to the list of bills that this has been applied on. First, there is the free trade bill. It was closured at every opportunity in the first session of this Parliament and it was also moved on a motion to suspend the rules in relation to that bill. Second, it was applied on the Unemployment Insurance Act, Bill C-21, at second reading, report stage, third reading, and then on the Senate amendments. Third, there are the Excise Tax Act amendments in Bill C-20. Closure was applied at second reading. There was the Plant Breeders' Rights Act with closure at second reading; the Advance Payments for Crops Act, closure at second reading; Bill C-28, the clawback provisions of the Income Tax Act, closure at second reading and time allocation on third reading and report stage; Bill C-49, the Resumption of Government Services Act, closure at second reading; the Goods and Services Tax, closure at second reading and time allocation on report stage and third reading; the Crop Insurance Act, closure at third reading; the Borrowing Authority Act, time allocation at second reading; the Restraint of Government Expendi-

tures Act, time allocation at second reading; and, the Hibernia Project, time allocation for both report stage and third reading.

That is the litany of dictatorial approaches that the government has taken to government legislation in the House. In every case the debates have been short. It is not as though there has been a week allowed on any one of these bills before closure or time allocation was applied. In every single case the debate was less than five sitting days. We have never had a protracted debate in this Chamber on any item of government legislation since November of 1988.

The minister of state and government House leader were up on October 11 when the government lost its first notice on this bill. Mr. Speaker, you will recall that they gave notice of time allocation on the first day of debate on this bill, if you can imagine.

• (1130)

During the first day they said they were going to move it the next. It was only because the Minister of State for Privatization could not read his notice properly that we were fortunate enough to have the Speaker strike that notice out, and so we have got it again today.

The minister of state and leader of the government in the House got up and made a speech. In his speech he quoted certain statistics. He said that between 1980 and 1984 time allocation under rule 78, which we are discussing today, was used 29 times in that four-year period. He claimed that in the six years since then it has been used 27 times. Well, this must be number 28.

He was talking about rule 78 alone. He tried to suggest that the government had been slow in using this rule because it had only used it as many times in six years as the previous government had in four. What he omitted to discuss was the number of times closure, rule 57, had been applied. As I have indicated, that has already been used 13 times in this Parliament, and I do not know how many times it was used in the previous one. I was not here and I have not gone back to check all those records.

It is a distorting group of figures that the government House leader used. I submit it was a set of figures that were intended to mislead the public as to the intent of the government here in using closure so often. I submit that when you look at the total picture, this government has used closure and abused the rules of this House to ensure that its legislation gets through without debate or with very limited debate.

I would like to turn to the example I cited in this House a year ago, on October 26, 1989. I was speaking on this same subject in this House. I pointed out what kind of record it was the previous government had.

As the government House leader has said, time allocation was used something like 29 times in a four-year period. One of the times it was used was in 1983. This was on Bill C-155, an act to facilitate the transportation, shipping and handling of western grain.

That bill was extensively debated in this House. I would like to recount, Mr. Speaker, once again the statistics on that debate to show something of the latitude that was allowed by previous governments, by previous Houses, by previous Parliaments, that is not allowed in the current situation.

That bill was introduced on second reading and 97 speakers were given an opportunity to address the bill at second reading. Just at second reading, 97 speakers, Mr. Speaker. Think of it. We have not had anything like that number on this bill. I would be surprised if we have had more than 10. I did not do a count on the total, but there are only four from this caucus, and there cannot be many more from the New Democratic Party caucus. In fact there would be less. I would bet there were two.

The bill was sent to a committee after this extensive second reading, nine days at second reading, 97 speakers. Then it went to committee. Three months of committee hearings with over 200 representations, and then the bill came back at report stage. How long was it debated at report stage, Mr. Speaker? What is the longest we have had in this Parliament at report stage on any bill? I will bet it has not been more than three days. I will bet it has not been more than two, but I will give the government the benefit of the doubt and say it was three. Fifteen days on report stage on this bill, Mr. Speaker, 15 days, and then finally the government brought in time allocation and limited debate on third reading to two days. That was considered Draconian.

Hon. members who now sit on the government benches objected in the strongest terms to the use of time allocation on that bill. Yet, here we have the minister piously intoning that we ought to agree to this because it is reasonable in the circumstances, that it is a fair restriction on debate because we have not been able to agree on a time allocation for this bill. Four days is

insufficient to debate a bill which is so roundly condemned by the public.

If this bill were introduced at any time other than when the GST is the big item in the news, it would be roundly condemned in the press and there would be a public outcry against it. This government is seeking to stifle any criticism, and avoid the public outcry, by ramming this bill through with time allocation, and I object in the strongest terms.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have mixed feelings, I suppose, about participating in this debate. Once again we have to say it is a very dark day for the democratic system in the House of Commons. It is a very bleak day in terms of parliamentary democracy because once again we see the Conservatives using the heavy hand of closure to muzzle the House of Commons, to cut off debate prematurely, to end discussion of government legislation.

I want to at the beginning make it very clear that the people who are watching the debate today on television should be well aware that this government has used some form of closure and time allocation more than we have ever witnessed in Canadian history over a period of time. I want to tell you, Mr. Speaker, first of all that since closure was first introduced away back in 1913, it had only been used 19 times up until 1984.

Then of course in 1984 things began to change. Closure of course is a motion which ends further debate on a measure with a mandatory vote at 1 a.m. The Tories have used it 15 times and have threatened to use it another 10 times since 1984. Time allocation allows the government to set a time limit of as little as two days of debate on any measure. It has been used 27 times in the six years of Tory government.

What it says is that this government does not like democracy. It finds the Parliament of Canada a nuisance. It finds the committees of Canada a nuisance. It has taken step after step, time after time, to throw the rule books away and has used this very Draconian, undemocratic, unparliamentary measure called time allocation or closure.

I challenge the minister who indicated that an agreement could not be reached. Quite the contrary, we made a very clear offer. When the New Democratic Party was approached, after we had had only one speaker on the bill to dismantle Petro-Canada, we were asked if we could come to an agreement. We said: "We are reluctant to agree to anything that would expedite the destruction of our national oil company, but at this particular stage of the debate, to facilitate the matter getting into committee where we can bring forward witnesses to point out clearly what this is going to do to our ability in terms of energy security in the future, we would like to be given four and a half hours of debate time in the House of Commons".

Four and a half hours of debate time on a process to dismantle a multimillion dollar enterprise that touches the lives of every Canadian, no matter where they live in the country, is hardly being unrealistic. The government said: "No, we cannot allow four and a half hours of time to listen to the opposition on this matter, so we are going to introduce time allocation".

This is at a time when we are in an energy crisis, where the oil prices at the pumps are sky-rocketing. Canadians carry a card in their wallets, their purses and their hip pockets with pride, and that is the Petro-Canada card, because they know it is their oil company. It is not Mobil Oil, it is not part of the Exxon family, it is not a multinational company operating out of the United States. It is Canadians' own oil company, Petro-Canada. Now the government wants to say: "We are going to take all of the credit cards and in a sense tear them up on behalf of Canadians because we want to turn it over to private interests".

Mr. Speaker, do you know how many oil producing countries in the world have private interests solely in control of their oil patch? The United States is one, because it owns virtually all of the multinationals. Second, Margaret Thatcher sold off their national oil company as part of her ideological approach to the marketplace. That is the only one, other than the United States. Every other country has its own oil company.

Now the Tories say: "There is one last vestige of Canadianism in this country and we are going to disman-

tle and destroy it". They do not want to allow debate on this critical issue, and we say that is absolutely unacceptable.

I ask, Mr. Speaker, at a time when we are into a national emergency, with oil prices increasing at the pumps so that it is causing pain to every single Canadian, when it is going to result in an increase in the cost of goods that Canadians buy in every part of the country, when it is driving companies, farmers and fishermen into bankruptcy, who is behind all of this nonsense? Who is it that is really responsible? I suggest that it is not the hon. member, who is the government House leader, from Calgary. I suggest that it is the Prime Minister of Canada because not only is he wishing to destroy and dismantle Petro-Canada, he is in the process of destroying the Parliament of Canada. and we find that unacceptable.

• (1140)

I pose some questions. Could it be that the government House leader has been instructed by the Prime Minister to do what he can to destroy Parliament?

An hon. member: Ram legislation through.

Mr. Riis: Who is it that comes in daily, striding into the House to challenge the Speaker, to challenge decisions that the House has taken? Who is it that is continuously making spurious allegations against members of the House and casting aspersions on the table officers, as well as the Speaker in the chair from time to time? It is the hon. member who is the government representative in the House.

I suggest to you, Mr. Speaker, that those kinds of actions by the government House leader are causing this House to be a House of ill repute. The people of Canada are disgusted with the kind of antics that they are seeing on behalf of government members time and time again as they challenge the chair, and so on.

Who is it, Mr. Speaker, that on occasion has threatened the Speaker? I remember when the government House leader stormed the Chair. He stood in front of you, Mr. Speaker, and flexed his muscles and put his fist into the face of the Speaker because he did not like a ruling of the Speaker. This is the first time we have seen any of that despicable, disgusting behaviour in the House of Commons. Who was it that really did that, Mr. Speaker?

An hon. member: Harvie?

Mr. Riis: Who is it that continues to behave this way? Is it really the government House leader or is it the Prime Minister who is running this puppet in the House of Commons from the Prime Minister's Office in the Langevin Block?

There is something extremely sinister going on in this House.

An hon. member: Right on.

Mr. Riis: While we assume that it is the government House leader who from time to time challenges the Speaker's rulings, that bad mouths the good office of the Speaker and his advisers, is this the person who is really doing this?

An hon. member: No.

Mr. Riis: Or is it the quiet voice of the Prime Minister from the Langevin Block, from the Prime Minister's Office?

Is my hon. friend, the Minister of Science over here who shakes his head, saying that the Prime Minister does not support the despicable behaviour?

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry to interrupt the parliamentary House Leader for the New Democratic Party, but I think he is skating perilously close to open water. I would therefore ask him to be very careful and stick to the subject matter of the motion.

[*English*]

Mr. Riis: Mr. Speaker, that is exactly what I am attempting to do, in trying to explain to the people of Canada what is going on. But this motion is just one of an ongoing series where this government—and to be more specific, this Prime Minister—is attempting to run the Government of Canada not through the House of Commons, but through the Langevin Block, the Prime Minister's Office, and the Prime Minister is using his puppet in the House of Commons, called the government House leader, to carry out his dirty work. We are simply saying we have identified this plot and we do not plan to sit quietly by and be muzzled by it, not able to speak out to the people of Canada on this issue.

An hon. member: They're muzzled. They have been told to shut up.

Mr. Riis: I want to say, Mr. Speaker, that regardless of how any of us might feel about the government using closure and time allocation on a regular basis, and trying to give the impression that this is somehow being based on the practices of the Mother of Parliament in the United Kingdom, is absolutely and totally false. There is no connection between the two in terms of how they deal with legislation.

I know that this is the desire of the Prime Minister to enable him to move his political agenda through the House of Commons with as little public comment as possible because when the people of Canada understand what this legislation is all about, they oppose it. In the GST, we now have 85 per cent of the people saying they oppose that legislation.

As my hon. friend from the official opposition who just spoke indicated, if the GST was not dominating people, like the public consciousness, and people understood that right now the Government of Canada and the Prime Minister of Canada want to dismantle Petro-Canada, that it wants to destroy the national oil company that belongs to the people of Canada and turn it over to American oil interests, the people of Canada would be speaking out again.

I say on behalf of the New Democratic Party that we oppose this type of procedural tactic in the House of Commons to limit debate. We oppose what the government is doing in terms of dismantling one more fabric of what Canada is all about. We will never accept the kind of dictatorial totalitarian approach to parliamentary democracy and our parliamentary system now or in the future.

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I do not often get the privilege of entering into a debate, and I did not intend to enter into this one. However, I have to admit that watching and listening to my hon. friend from the New Democratic Party inspired me to rise to my feet to enter into this debate for a few minutes.

The question of time allocation is one that has for a long time been a matter of controversy within this House because the opposition parties have consistently said that there is something wrong with time allocation, that we should not be using time allocation, that it is disgusting behaviour on the part of the government, that it has no right to do it, that it should not be doing it, and on and on and on.

The reality is that time allocation and closure are a part of the rules of the House of Commons. Why are they a part of the rules of the House of Commons? It is because the tradition in this House which has gone on for years and years—certainly more years than I have been around—has made it very clear that from time to time there have to be provisions that allow a government to proceed with its legislation.

That was put in there because there has always been a concern as to whether or not the government can continue to put forward its legislative agenda. The man on the street understands that. He recognizes that a government that was given a majority in the House of Commons was given that majority for one purpose, and that purpose was to allow it to complete its legislative agenda.

Why are we into a debate on time allocation this morning? Is it because the people across Canada are angry about it? No, I do not think that is the case at all. Is it because the opposition and the government have been able to come to an agreement on how this bill ought to be debated and handled in the House of Commons at the second reading stage, the committee stage, the report stage, and the third reading stage? No, in fact it is quite the contrary.

What the opposition failed to see and to mention in its speeches is that the government on a regular basis puts forward a number of pieces of legislation. Each of those pieces of legislation is designed and put forward to be dealt with in a certain time frame that fits with the scheduled sittings of this House.

As a result, we have been successful in previous sessions and periods of time negotiating among parties a calendar with which all parties could deal. The purpose of that was of course to allow more debate on bills that had a higher degree of controversy. The trade-off was to have less debate on those bills that do not have the same degree of controversy.

We are faced with exactly that situation today. As I stand before you in this fall session of Parliament, Mr. Speaker, what we are faced with is that we as a government have a fairly extensive legislative agenda. That agenda has been put before other members of this House and certainly the other parties of this House.

We have offered to negotiate with them all of those pieces of legislation to find out if there is between us an agreement as to how we will handle each and every piece of legislation. We recognize that some of the bills we proceed with are more controversial than others. Therefore we are prepared, on bills where there could well be agreement among the three parties to deal with them quickly, to add or attach the time that would normally have been used for debate on them to the more difficult and more controversial bills.

The problem we are facing at the moment is that we have no such agreement. In fact we have a sense that each and every bill, no matter how controversial or how important it is to members of this House, will continue to be debated without some sort of action being taken. That is a very serious matter that we need to look at. I think the reason that we need to look at it is that there is within the country a growing sense that this institution is breaking down. People are losing confidence in this institution.

• (1150)

Why are they doing that? I think there are a number of factors, one of which has to be the behaviour in the other place. That, under the leadership of the Liberal Party in this House, has done more to discredit the Senate and this institution than virtually any other item existing across this country today. For that there certainly should be loud cries of shame.

The other thing is that one of the problems we face in the question of time allocation and closure is that we hear words as those that were used a while ago by the House leader of the NDP when he said it is dictatorial. He has a favourite expression called putting the jack-boots to Parliament. Those very words imply something illegal, immoral, and wrong when in reality this is a legitimate exercise allowed for and created by the rules that we live by in this Chamber. How can that be, then, putting the jack-boots to Parliament? How is that somehow an action of a dictator? It is not.

The impression that is left with the Canadian people is that this institution is constantly in a state of aggressive confrontation, when all of us in this House know in fact that is not the case. There are on regular occasions opportunities for us to agree, to do things by unanimous consent, to do things with minor disagreements, to allow something to proceed so that a minor amendment can be made and we as a House can agree to it. That is normal, acceptable behaviour in this House, just as the use of time allocation is normal, acceptable behaviour in this House when the negotiations break down.

The Canadian people need to understand that that kind of behaviour, that kind of rhetoric, is not in fact the reality within this Chamber. The reality is that we can and should be able to proceed as adults on all pieces of legislation. Canadians need to understand that this is not a forum where we all sit in a big circle and chit-chat with each other. It is a forum where we are separated by an aisle and we engage in aggressive debate. We try to put forward the pros and cons of each piece of legislation, and that is the style of the institution.

It does not mean that therefore the process itself has to be viewed as a war or a combat. The process is simply the means by which we do our business. In reality, the hard hitting debate has to come as we address the issues. That is why the rules state what they state. That is why they have provisions in them for this kind of situation.

Mr. Speaker, I see you have signalled that I am coming close to the end of my time, but I want to say this. The House leader for the New Democratic Party made several charges against the House leader on the government side, some very aggressive words. First, he should go back and read the record. It was not the House leader for the government who at any time marched the Chair in a debate of years ago. That was not the case. This House leader has a job to do, just as the New Democratic House leader has and as the House leader for the Liberal Party has. He has a job to push, to prod, to attempt to get his legislation through. When it is necessary he has to move time allocation and closure.

It is important for Canadian people to understand that that is only resorted to in times of—

Mr. Riis: Mr. Speaker, I am very hesitant to interrupt my hon. friend's comments, but I rise on a point of clarification. I want to make it clear that whatever the House leader for the New Democratic Party does in the House, he does so with the support of his leader. I am suggesting that the House leader for the government

must be doing whatever he does in the House with the knowledge and support of his leader as well.

Mr. Cooper: Mr. Speaker, I do not want to leave any doubt on the record but that I as the Parliamentary Secretary to the Leader of the Government in the House and his colleagues support him. We support him because we have confidence in the way he manages our business and in the way he delivers to the country a consistent pattern of legislation that reflects the concerns and goals of the government.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I rise today to address the motion of the Minister of State for Privatization and Regulatory Affairs to allocate time and impose closure on the debate on the bill that would authorize the privatization and sale of Petro-Canada.

The government calls it time allocation. We in the opposition call it closure. That is a bit of an ugly word. It is an historically ugly word. It means a lot of members who want to speak to a bill will not have an opportunity at the particular stage with which we are dealing, the stage in relation to which time allocation is moved. These members come from all across the country. They represent regional and local interests. They all have a perspective on the legislation, and they must have the right to continue to have input into all legislation on behalf of their constituents.

Closure or time allocation removes that. It squeezes it out. It squelches the debate which is essential to the deliberation of legislation in the House. The closure or time allocation instrument is a very blunt instrument, and Canadians are entitled to an explanation from the government whenever it is used. They should demand it, and I am demanding it. I want to know why the government requires time allocation/closure right now.

It has not provided a reason. It feels that parliamentary procedures are a little too cumbersome for it. Why does it want to exclude members of the House from debate on what we regard as a very important piece of legislation? What is the reason? What is the rush?

I am curious because just last week, after the first three speakers had spoken in the House, the minister for privatization rose and moved time allocation. What was the rush? Having tripped up at that instance, it is back in the House this week. It still has not been explained why. The government claims it cannot reach an agreement, but the evidence in the House last week was that it barely tried to reach an agreement.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I hesitate to interrupt my friend, the critic for privatization, but I would want him to be accurate in his comments. I introduced a motion which gave notice, Mr. Speaker.

Mr. Milliken: That is not a point of order.

Mr. McDermid: I am on a point of order; I can have a point of order. I introduced a motion to give notice that in the future I would be introducing time allocation, but in fact I did not introduce time allocation. I want the hon. member to be fair when he is making those comments.

Mr. Lee: Mr. Speaker, I hear what the minister is saying, but the fact remains that notice was attempted to be introduced at the time, the same notice that was introduced yesterday. I am sure the Canadian public will understand the fine distinction between notice of the motion and the motion itself. However, I want to suggest that this is another form of tyranny by the majority. We all know it is there, it is a legislated tyranny. The majority in this Parliament has the right to move ahead with its agenda, but it does not have the right to trample on a healthy opposition, and this is a a healthy opposition.

• (1200)

We find, in exercising this tyranny the way the government does, we only have the odd check and balance left, and one of them happens to be the Senate. The government does not like that; it is shocked that there is a check and balance in the existence of the Senate. But that is what the Senate, as a place of sober second thought, is doing.

An hon. member suggested earlier that the government House leader was a puppet of the Prime Minister, that the Prime Minister had a particular agenda, and that this time allocation motion was part of that. I have another suggestion. I have a suggestion that this time allocation initiative is not part of that agenda at all. In fact, I want to suggest that the government does not have any agenda.

The Minister of State for Privatization went to cabinet table and said, "Gee, do you think we could get on with the Petro-Canada bill", and the other ministers around him said, "Wow, we have nothing else going. John, take it away, roll with it, run it through, because we have

nothing else to put forward". If the government does have other priorities, where are they? Where is the broadcasting bill, the bill governing transfer payments to the provinces, the bill on MPs conflict of interest, the proposed OSLO oil sands legislation, the proposed legislation concerning criminal records, and environmental assessment? Where is that legislation? What is the rush with the Petro-Canada bill?

I think this minister has *carte blanche* because the government does not have another agenda. The government wants to turn out the lights at this stage. But the bill will be back, Mr. Speaker, the bill will be back. But the government wants to turn out the lights now and preclude members from making their positions known to this Parliament and to their constituents. I object strongly, my constituents object strongly, and the opposition objects strongly.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I would like for a moment to discuss why it is necessary for this government to use time allocation in the House to get very necessary legislation through.

I would like to answer my hon. friend who suggests that there is no other legislation to bring forward and that is why we are using time allocation. It would seem to me that if this government did not have legislation to put before the House, it clearly would not use time allocation, because all time allocation does is shorten up the time the bill is in the House. All we are doing is pushing forward the agenda so other bills can come into the House.

An hon. member: Shocking.

Mr. Shields: We hear comments that it is shocking and accusations about our government and the use of the rules of the House to shorten debate in order to bring legislation to a conclusion in this House.

Mr. Speaker, here are some facts of which my hon. friends might not be aware. If they look back to 1980 to 1984, time allocation motions were used in this House 25 times. From 1984 to 1988, time allocation has been used 20 times. If we consider closure motions, from 1980 to 1984, there have been two closure motions used. From 1984 to 1988, two closure motions were used. We do admit that in 1988 time allocation was used more often. That is because the opposition's tactics forced us, on this side of the House, to use closure. The opposition is no longer content to use legitimate debate and then a negative vote to show its opposition to legislation that the government has brought before the House. It wants to force the government to use closure at every opportunity. Somehow this gives them evidence of being strongly opposed to any legislation or points of view.

This was demonstrated very clearly during the free trade debate. The free trade passed this House, it went to the Senate close to election time. The government had an election on free trade that was passed by the people of Canada who elected this government to implement its program. The government brought in free trade legislation. The opposition then forced the government, after the new government was formed in 1988, to use closure on free trade three times. That should tell everyone in this House of Commons and the people of Canada exactly what the opposition is up to and what its *modus operandi* is. All it wants to do is create problems.

I support this legislation for a number of reasons. When the formation of Petro-Canada was first debated, I can remember the critic from the NDP standing up and asking why we should be forming a Petro-Canada oil company. He said that what the government should be doing is nationalizing one of the biggies, was the word that was used. Let the government nationalize Imperial Oil. It shows know where they come from. They would like to nationalize all the oil companies right across the country. I hear my hon. friend from Halifax saying the government should nationalize these big oil companies. I wonder if she really believes that that is the policy of the Liberal Party.

Let us look at Petro-Canada and the problems that it faces today. First, it has not discovered any resources. However, the government has a good inventory of the resources that are available in the Northwest Territories in the Canada Lands and so on. Petro-Canada needs to increase its capital base. The government has a chance of increasing that capital base by one of two ways. One, to allow Canadians through the regular system of investment, that is investment in direct share ownership into the company, or the government can turn around with

the taxpayers' dollars and turn over more funding to Petro-Canada.

Petro-Canada is going to lose ground at some point with its counterparts in the oil industry. I think that is a known fact. It is time for the Canadian government to get out of the business of pumping gas at the service stations. That is not what its business is about. Its business is about creating the climate for investment so that Canadians and other people can take part in the investment in Canada. The government sees this bill being held up for political reasons only. It is being held up only to create an insecure feeling with the Canadian people.

This is an opportunity for Canadians to own a piece of a large Canadian oil company. The legislation will limit the ownership levels and will not be taken over by foreign control. The government has other ways to control the oil industry in Canada in ways that it wants to do. The discussions that go on in this House are repeated over and over again. All the opposition is attempting to do with this very important piece of legislation is hold it up. We know it, they know it on the opposite side. My friends over there know exactly what they want to do. They want to force this government to use closure or time allocation. That is all they have been doing since coming back in 1988.

• (1210)

Petro-Canada was created in 1970 by the Liberal government. We were told at that time that a state oil company was needed to achieve a number of objectives. It is my believe that the objectives that were outlined when Petro-Canada was formed are no longer necessary today. We can control those objectives. The monitoring can be done through the agencies that have been established since and we have a better understanding of the oil industry today.

My time is up, Mr. Speaker, but I want to say very clearly, and I will put on the record again, that time allocation was used 25 times in 1980 to 1984. Time allocation was used 20 times from 1984 to 1988. Each government in a four-year period has used closure twice.

There has been an increase since taking office in 1988 because that opposition over there, both the Liberal and the NDP, have very clearly signalled its intention to force this government to use closure or time allocation at every opportunity. The other side appears to be using tactics similar to the tactics we see in the Liberal Senate. It is not going to work here because we have rules here, not like the Senate, where they do not have the rules.

Mr. Joe Fontana (London East): Mr. Speaker, the parliamentary secretary to the government House leader talks of process and rules. I think it would be fair to say that not only does the process stink, but the rules that this government wishes to impose not only on this House but the people of Canada stink.

Not only is it being irresponsible in moving time allocation as it is at this particular issue, but as it has on most fundamental issues that have come forward in this country. It is a disgusting display, I suggest to you, of arrogance and disrespect and disregard for the traditions, not only of the House but for the rights of the people.

This government really has the gall to attack the Senate for its undemocratic nature, then runs roughshod over this House day in and day out. To tell the truth, it makes the Senate look like a poodle compared to the pit bull tactics it uses each and every day.

I suggest that the people of Canada, the man and woman on the street, understand that this government is abusing the power of the majority, abusing the power of Parliament, and abusing the power of government. The rules are made to be respected. They have to be fair and not abused.

Essentially this government has abused the rules and the process in this House to ram through an agenda that it suggests Canadians voted on, but I suggest Canadians knew absolutely nothing about the privatization of Petro-Canada in 1988, knew absolutely nothing about the GST, and now it has the gall to stand up and say: "Oh, Canadians love what we are doing. Canadians want us to pass our legislative agenda". You know that it is a bunch of hogwash.

What really is hypocritical is that this government promotes the fact that it is telling eastern Europe and even the Soviet Union to open up, to become more democratic. What an example it is to the east European countries, and what an example it is to the Soviet Union because 15 times this session it has imposed closure. That is not democratic. That is being dictatorial, so perhaps the government should learn something from the east Europeans, such as the Soviet Union, who are starting to understand and talk about democracy. This

government has absolutely no concept of what democracy is all about.

The hon. member for Athabasca talked a little bit about history, but I also want to take this opportunity to talk about the bill, because we are being muzzled. Therefore, I am going to use the remainder of my time to talk, not only about closure, but what in fact Petro-Canada means to the country and, in a sense, what this bill is doing.

First, Mr. Speaker, the government would have us believe that this bill will reduce the government's deficit and, by selling off Petro-Canada, the government will have the mechanism or opportunity to raise capital and do those other things.

Believe it or not, selling Petro-Canada would not assist the government's deficit reduction efforts. Canadians already own Petro-Canada, and Ottawa carries the Crown corporation on its books as an asset of about $4.3 billion. Canadians will not be selling 15 per cent of Petro-Canada. We will be giving it away. Selling an asset means receiving payment in return. How are Canadians going to receive payment in return, or a dime, for Petro-Canada? The government will be giving 15 per cent of it away. The company will keep all the revenues. It is not going to be coming back to Canadians.

Let us look at it hypothetically. If 15 per cent of Petro-Canada is sold at an equivalent value of a $645 million share offering and all the shares are sold, Petro-Canada will receive $645 million. The Canadian people will retain, according to this bill, 85 per cent of the company.

Here is where the fancy bookwork comes in. Canadians now own 100 per cent of Petro-Canada valued at $4.3 billion. If the government privatizes, selling off 15 per cent of the Crown corporation, then Canadians will own 85 per cent of the company valued at $4.3 billion. How can 85 per cent of a company can be worth $4.3 billion when 100 per cent of the same company was worth $4.3 billion before the share offering? The government cannot allow the 15 per cent loss to show up on its books because that would create a loss and increase the deficit. Instead, the government will artificially over-value Petro-Canada's worth to hide the fact that the Tories gave away $645 million of taxpayers' money.

The Minister of State for Privatization told Canadians: "Both the company and the taxpayer can be better served by allowing the company to raise new equity from investors rather than continuing to rely on the Canadian taxpayer." Well, Mr. Speaker—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member, but I must recall the rule of relevance. The debate is on time allocation, not on the substance of the bill. I would therefore appreciate it if the hon. member would keep his speech relevant to the motion before the House.

[*English*]

Mr. Milliken: Mr. Speaker, I rise on a point of order. I want to defend the right of the hon. member for London East to debate this motion and to refer to the bill.

The motion is to allocate time on this bill. It has been the practice of the House for as long as I have been here, and for many years before, that on a time allocation motion, the merits of the bill can also be raised as relevant to that motion. Clearly, if the bill is a defective bill, the limit of time on it is a serious matter. I submit that with all respect and deference that in fact it is normal on a time allocation motion—

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member's message has been transmitted. The hon. member for London East.

[*English*]

Mr. Fontana: Mr. Speaker, you have seen the light. The hon. member for Athabasca went on to talk about history in Canada, so thank you for accepting that.

As I was saying, when the government and other advocates of privatization ramble on about the need for Crown corporations to raise revenues through share offerings, they are deliberately forgetting to tell the Canadian people that privatization gives away billions of tax dollars to a company no longer operating in the best interests of the taxpayer.

I am sure all members have noticed Petro-Canada's new phrase in its advertisement. I am proud to say that it states: "Committed to Canadians." In fact, that is what Petro-Canada is. It is a Crown corporation committed to Canadians in its present form. When it is privatized, what will its slogan be a year from now? Committed to

the shareholders? In fact, it will not belong to Canadians any longer. As the government suggests, this is only 15 per cent. As it sells more and more of it, the interest of the shareholders will in fact be of paramount importance to a corporation, not the interests of the Canadian people because we are all shareholders. Each man, woman and child in the country now owns, has invested, and bought Petro-Canada.

• (1220)

Petro-Canada was established 17 years ago as part of an incremental policy to respond to the uncertain oil industry after the oil crisis in the Middle East. Embargoes on shipments of Arab oil suddenly made security of supply a crucial government policy issue. Control of national energy supply in an unstable world was the underlying motive.

The need to become self-sufficient in oil and gas production became an immediate policy priority of the Canadian government with the focus on research and development of new oil and gas projects. When the Crown corporation was created in the mid-seventies, Ottawa's intention was also to give itself a window on the industry.

These policies, I suggest, are more important now more than ever in light of what is happening again in the Persian Gulf and in light of the fact of what is happening with respect to gas prices out there on the street. Petro-Canada was not created because of some desire by the Canadian government to become an entrepreneur. The government was then protecting national interests through a Crown corporation. These national interests, a guaranteed energy supply, exploration and development of frontier oil and gas supplies, and a window on the industry, still have a place in Canadian priorities.

This government chose to change the mandate of Petro-Canada from a frontier development company. To ensure energy self-sufficiency in the country it turned around and said to Petro-Canada: "You must become like every other oil company. You must have downstream operations. You must be a gas station like any other." Now that the government has essentially created an oil company like any other, it now says: "Turn around and dismantle it."

I suggest that if Petro-Canada was given its original mandate, in light of the fact that the government does not even have an energy policy for the country, why not develop an energy policy first and see how Petro-Canada can be the national instrument by which to ensure that Canadians do have security of supply and do in fact have a window on the oil industry so that we can protect Canadian interests? This is not a time to get rid of Petro-Canada or a Crown corporation.

The government must listen to the people and retain a national treasure which in fact is Petro-Canada.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before recognizing the next speaker, I think it is always useful to remember that although there is some latitude, as was pointed out by the hon. member for Kingston and the Islands, the debate must observe the rule of relevance, and the motion before the House today deals with time allocation on Bill C-84. I therefore ask all members of all parties to observe this rule, although, as I said before, some latitude is allowed.

The Parliamentary Secretary to the Minister of Finance.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, your comments are well taken. I was listening to the hon. member for the Official Opposition who said that so far, there had been two days of debate on the bill, that there would be two more days, and that it was all because of the motion before the House today.

Mr. Speaker, I did some private research. When we talk about Petro-Canada and privatization, we talk about the reason why the corporation was established, when it was established and how it was established. Mr. Speaker, I can inform you that the bill to establish Petro-Canada, which goes back to March 1975, took four days of the time of the House on second reading. The Liberal government at the time took four days of the time of the House on second reading to pass the enabling legislation for Petro-Canada. Mr. Speaker, today, when we want to take four days of the time of the House to undo what they did, they scream bloody murder. Well, Mr. Speaker, what's sauce for the goose is sauce for the gander, a

saying that is very apt, but unfortunately, they don't seem to appreciate that in this Parliament.

Mr. Speaker, perhaps you will allow me to explain, for the benefit of constituents in the ridings of Trois-Rivières, Abitibi, Matapédia—

An hon. member: Laurentides.

Mr. Vincent: —how this place operates. Everybody who watches the House has the impression we are always debating and discussing bills.

Mr. Speaker, a bill arrives in the House on first reading; it is tabled and printed. No member of this House speaks to the bill at this stage. On second reading, Mr. Speaker, then—

Take for example the opposition; there are about 120 opposition members. According to them, every single member of the opposition should have the right, on second reading, to speak for 30 minutes on this bill. This means, Mr. Speaker, that if all 120 opposition members are present and speak on second reading of a bill, it would take 60 hours.

An hon. member: They are often absent.

Mr. Vincent: An average of four hours a day is spent discussing bills, because we also have Question Period and other business. This means, Mr. Speaker, for the information of our listeners, four hours a day, five days a week, which adds up to 20 hours.

To adopt a bill on second reading, without a single government member having spoken, would take three weeks of the time of this House—and this is only second reading, Mr. Speaker. Next, the bill is referred to a committee of members of all three parties. In committee, they can discuss the bill as long as they like, hear witnesses and draft a report. The report is then referred back to the House, where all opposition members may again speak at the report stage, which means another three weeks. This is still just one bill, Mr. Speaker.

Next, we have third reading. Here again, 120 members with 30 minutes each—a total of 60 hours—would be able to speak to the bill for three weeks, and this is just the opposition. This means, Mr. Speaker, always according to the reasoning of hon. members opposite, that it might take nine weeks of the time of this House, without a single government member having spoken, for a bill to leave the Commons. But that isn't all, Mr. Speaker! After nine weeks of debate, the opposition can then discuss the bill in the Senate, on first, second and third reading.

According to the opposition's reasoning, Mr. Speaker, Parliament would pass about two bills per year. We cannot run a country with two bills a year, when the party in power has received a mandate from the electorate to adopt legislation and govern this country. If Canadians are not happy with the way laws were passed during four years, they have the opportunity, after four years, to say: "Go home!"

I remember that, almost everyday from 1984 to 1988, the Opposition requested elections, saying: "We want elections now!" When elections were called in 1988, they were disillusioned because, on November 21, they were defeated again. The population felt that this government had governed well. In the four year period from 1984 and 1988, the government introduced 20 motions for time allocation and two motions for closure. As you can see, Mr. Speaker, we did not make an abusive use of anything which, by the way, is allowed in our system.

Between 1980 and 1984, the Liberals introduced no fewer than 25 time allocation motions as well as two motions for closure. Again, what we are criticized for today, the Liberals did more often when they were in power.

Mr. Saint-Julien: In 1975.

Mr. Milliken: That is not true!

Mr. Vincent: I would like to point out to my friend the hon. member for Kingston and the Islands, as I did earlier, that he seems to have missed the point, Mr. Speaker.

In 1975, the bill establishing Petro-Canada was debated in the House for four days on second reading.

Mr. Saint-Julien: Four days!

Mr. Milliken: No, no! That is false!

• (1230)

Mr. Speaker, I challenge the hon. member opposite to check again. At the second reading stage, the House spent four days dealing with the legislation setting up Petro-Canada. He should go and get his facts straight, and then return to apologize for wrongfully saying that it was not true.

The House will again use four days to return to Canadian taxpayers a private enterprise which belongs to them.

Mr. Milliken: Two days only: October 10 and 11!

Mr. Vincent: Mr. Speaker, I will explain to my hon. friend that the House has already spent two days on this and is planning to spent two more days, for a total altogether of four days. I know full well that my hon. friend is a lawyer, but so am I, Mr. Speaker; I thought that most lawyers knew how to count up to four, but I suddenly realize that are some who just cannot. Two and two make four.

Mr. Speaker, I am sure you realize how this government would work if we followed the Opposition's approach. It could only pass two pieces of legislation a year. I wish again to explain, because these rules of procedures are difficult to understand for the viewing public: without any government member taking part in the debate, it would take three weeks for a single bill to get through second reading. It would be impossible to govern a country this way. Moreover, I suggest to my hon. friend he should talk with his Liberal colleagues in the other place, the so-called Senate, and ask them to show a little more respect for democracy, something they accuse us of lacking. It might be important for the Liberal Senate to show more respect for democracy—when we used the word "democracy", we mean vote, election, as well as the fact that this Conservative Government, having been duly elected, has the right to pass legislation and govern this country. Mr. Speaker, today they have the gall to tell us that we never mentioned the GST during the election campaign, although it appears on page 2 of the Liberal party platform. They are those who decided that the Free Trade Agreement would be the main issue during the election campaign.

Since 1984, the government has always insisted that it was planning to privatize Petro-Canada. This is nothing new. Hon. members opposite seem to wake up all of a sudden. All Conservative Members at one time or another talked about privatizing Petro-Canada when they sat in the opposition, and since they came to power in 1984. It was not a secret. One could read about it everywhere. And they say now that they have just learned about it. Come on!

Mr. Speaker, unfortunately my time has run out. In conclusion, I want once more to remind my hon. friends in the Opposition that in 1975, on the second reading of the bill establishing Petro-Canada with the assets of Petrofina—as a matter of fact, we were never able to find out just how much this purchase had cost and how much money our Liberal friends pocketed on this.— Mr. Speaker, the House spent four days dealing with this bill on second reading. I suggest, therefore, that this motion for closure is more than appropriate, and I encourage the House to vote on it as soon as possible.

[*English*]

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, once again I rise to speak on time allocation, closure. I think history will prove to us that this is the most undemocratic democratic House in the country. The time allocation closure prevents us from the real debate. I do not think Canadians really care whether there have been two motions for closure or 24 motions, or whatever. I think the closure time allocation prevents us from the real debate, and the real debate is Petro-Canada, the privatization of Petro-Canada.

My House leader tells me that this Parliament has passed more legislation than any Parliament in the history of Canada and that we are not obstructive in any way in our opposition to the government. We are only obstructive when it is appropriate, and it is appropriate when a free trade issue comes before the country, or when a GST issue comes before this House and before the country, or when the privatization of Petro-Canada comes before this House and comes before the country. The present debate prevents us from getting into the real meat of the debate. Mr. Speaker, I know I run the risk of breaking your most recent admonition of about 10 minutes ago, but I ask that you allow me the same latitude that you allowed my friend from London and my colleague across the floor from Athabasca, because this may be and probably will be the only opportunity that I have to speak to the actual very important issue, and that is not time allocation and closure because Canadians are not interested in that. They are interested in: what about PetroCan? What about it? As most clippings say, it is the wrong time, it is the wrong reason, it is the wrong price and it is the wrong decision to sell Petro-Canada. I think Mel Hurtig, who is now recognized as a great Canadian said: "This government will sell anything to anybody".

Well, I think he is a great Canadian.

The chairman of PetroCan said in May 1990 that if it is not the right time, it will not go. I think everyone will agree that this is the wrong time, and the chairman said if it is not the right time, it will not go.

PetroCan was begun at the behest of the New Democratic Party. We encouraged the Liberals to formulate it. It was begun because of a mid-East crisis. Here we are again with the same situation. The time could not be worse to privatize the country, a privatization without purpose.

It is difficult to get support from the country. I talked to my constituents in Sault Ste. Marie. They say: "Sell it, so what?" But they do not understand. They say that PetroCan is not operating for their benefit any longer. It operates just like any other oil company, and most unfortunately so because it had, and still would have, the opportunity to be a leader in its field. Given the fact that Canadians have invested $10 billion in PetroCan, people ask me: "Where is my dividend? When am I going to get my money back? Are you going to sell it back to me? I already bought it".

If PetroCan had been allowed to serve the public purpose, people would be up in arms right now over the privatization of that company. It could have been a leader in environmental issues. There is a problem in my community with waste oil. People call me and ask what they should do with their waste oil. I think people are forced to go into the forest and dump it. Would it not be a good idea if PetroCan said: "We will accept your waste oil. We will accept it. We're a leader. We're Canadian. We're here to work for you"?

How about border cities? It is a well known fact now that in my community along with probably 75 others, Canadians are leaving Canada to fill up in the United States. If Petro-Canada were serving a useful public purpose, maybe PetroCan would give us a break at the pumps, and say: "Canadians, we want to work for you. We want to lower the price of gasoline to give you a break". That would be a useful public purpose. You say you cannot do it? Well, PetroCan made a profit last year and I understand just this week that the American major oil companies made a $90 million profit, each one of them. The top three, each made a $90 million profit. I am sure that the Canadian industry is doing just as well. So, once again it is the wrong time, the wrong price and the wrong decision.

We have a seamless tube mill in my community. It is state of the art. It cost hundreds of millions of dollars. The government assisted us. It was great. PetroCan is to buy from Algoma 50 per cent of its seamless tube. Now there is some dispute as to whether they do or do not. The chairman of PetroCan tells me they do. Algoma Steel tells me they do. My question is: In the future, will PetroCan be obligated to buy Canadian seamless? Highly unlikely, Mr. Speaker. One would hope so, but when foreign ownership of 25 per cent takes place, and probably wealthy Canadians buy the remainder of the shares, will it operate for the benefit of the public or will it operate for the benefit of the shareholders? I think the latter will be the appropriate answer on that one.

• (1240)

I can never forget the share of the flame and how proud we were at the Calgary Olympics. Everybody got excited about it. I think this government is going to douse that flame. It is going to douse everything that is Canadian. It is going to douse Canada with free trade. It is going to douse PetroCan. It is going to sell of Air Canada, as I said earlier. It will sell anything to anybody, just ask for it. It is all sacrificed, if you will, at the altar of profitability. Most unfortunate.

Petro-Canada has a world renowned reputation. It proudly flies the Canadian flag in all of the Third World countries. It says that we get a great reception because we have a different ethic from the Americans, that we are well respected. Will the Canadian flag continue to fly with the same symbolic national pride and remain a truly Canadian company? Somehow I doubt it.

It gives me some pride to read from page 7454 of *Hansard* for July 10, 1975, when Mr. Cyril Symes, who represented Sault Ste. Marie and the New Democratic Party about three or four terms ago, was the energy critic for the New Democratic Party. I want to read this into the record for the benefit of everybody back in the Soo and also Mr. Symes. I do not think things have changed in the 15 years.

> The three components of a national energy policy, which we have lacked to date because of the misguided policies of previous Liberal and Conservative governments, are ensuring adequate and reliable supplies, reasonable prices, and that Canadians through their government have a direct share of the wealth of our resources. This

government has failed miserably to ensure these fundamental principles of a national energy policy.

I am approaching the end of my speech, Mr. Speaker. I do appreciate that you allowed me a little bit of latitude because, again, I think that is the issue at hand. It is not the point of time allocation or closure. This government forces us to discuss that either directly or indirectly, but once again the semantic wrangling of what record it has set, or what records it has not set on time allocation and closure is totally irrelevant to the Canadian public.

We ask that we vote down this closure time allocation and we spend as much time as necessary, because I believe every member of the New Democratic Party would like to speak against the privatization of PetroCan.

Mr. Girve Fretz (Erie): Mr. Speaker, I appreciate the opportunity to share some of my views on the sale of PetroCan and the proposed privatization of PetroCan.

Before I do, I want to report a few comments by the Hon. Marc Lalonde in an interview where he was asked by Rosemary Brown:

> Wasn't PetroCan supposed to protect us? The consumers against the vagaries of the market and the kind inconsistent behaviour and buffeting around that happens out there?

Mr. Lalonde's reply was:

> No. That was never the purpose of Petro-Canada.

Then Peter Gzowski posed the question:

> So the privatization of Petro-Canada is irrelevant to what's happening to oil prices now?

The Hon. Mr. Lalonde said "Absolutely". Then further, Mr. Lalonde responded by saying:

> —if the Government of Canada can get a good price for us as the taxpayers by privatization, by privatizing Petro-Canada if we can keep it as a Canadian under Canadian ownership, I don't see that it is essential to the national interest that Petro-Canada should be forever government owned.

It is interesting that we have those replies and those statements on record with regard to privatization. They are the views of a former Liberal minister of energy, someone who sat in this House for a good many years. I think it is important to have that on record.

I want to share a few of my views regarding Canada's energy policy. The objectives which largely remain as articulated in 1984 are these: to promote the efficient development and use of Canada's energy resources; to assure security of energy supply; and to increase the flexibility, the diversity, and the competitiveness of the Canadian energy economy. These goals are largely being achieved through the implementation of appropriate framework policies.

The government's deregulation of energy markets has freed Canadian industry and consumers to protect and further their own best interests in the marketplace and has eliminated the artificial constraints that previously bound trade. The establishment of a stable investment framework has provided the certainty investors need to make decisions about where and how to develop new supplies. The non-discriminatory, non-interventionist, land management regime, which we in co-operation with the coastal provinces have implemented in Canada's offshore areas, has provided the terms necessary to attract companies to economic development prospects on the frontiers. The use of profits based taxation and of targeted incentives have stimulated increased investment in the Canadian oil and gas industry.

These framework policies have been supplemented by specific policies or programs that deal with particular issues. The creation of opportunities for Canadian ownership of the domestic petroleum industry is best achieved by making the industry an attractive place to invest, and that is what we want to do. We have done this.

We have also continued through Investment Canada to review proposed acquisitions of oil and gas companies in Canada and to disallow acquisition of healthy Canadian owned firms. The level of Canadian ownership and control has declined in recent years due to the sale of companies in financial difficulty and some rationalization which took place in the industry. The level of Canadianization increased during 1989, and there remain good opportunities for expanded Canadian ownership as the industry's economic prospects improve over the next decade.

Security of energy supply means that Canadians can be confident in their access to competitively priced energy

without fear of sudden interruption. This government has adopted a market oriented energy policy in the belief that a flexible, dynamic and diverse domestic energy sector provides the best option to guarantee the long-term energy security of Canadians.

To deal with possible short-term interruptions of oil supply, the government has relied on a co-operative approach with the International Energy Agency member countries. Canada participates in an emergency oil sharing scheme which would be triggered should a significant loss of oil supplies occur. Continued pubic ownership of Petro-Canada does nothing to enhance stability of oil prices, nor does it increase the quantities of oil flowing to Canadian consumers.

The sources of information available to the government on the operations and the opportunities in the industry are today quite extensive. The Petroleum Monitoring Agency gathers and publishes valuable information annually and semi-annually regarding the financial performance of the oil and gas industry, as well as trends in ownership and control. The National Energy Board and the department are probably well informed on industry developments and are able to provide advice on developments in geology, technology, and market conditions. The window on the industry role no longer is a critical element of Petro-Canada's mandate.

Many of the energy policy initiatives which were once to be carried out in large part by Petro-Canada can now be served without the need for intervention by a Crown owned company. In these circumstances it is clear that continued Crown ownership of Petro-Canada is not required.

• (1250)

In addition to the many fiscal and other reasons for privatizing Petro-Canada which the minister for privatization has touched on, it is the government's view that the sale of the company would help achieve the government's energy objectives. Privatization will remove some financial constraints to the aggressive oil and gas investment activities of Petro-Canada and will increase Canadian energy security by increasing the strength of the Canadian oil and gas industry. It will also leave the company free to respond efficiently and effectively to supply demand conditions both internationally and in domestic markets.

In conclusion, some members opposite in this House believe that Petro-Canada should be used as an instrument to help keep gasoline prices down. I would like to reply to them that it was never intended that Petro-Canada be forced to play this role and that it has never done so.

Furthermore, should Petro-Canada try to depress gasoline prices it would damage the corporation's viability and drive small independent gasoline retailers out of the business, as they do not have the ability to withstand long periods of low or negative earnings. The outcome would be only a decrease in competition in gasoline, refining, and marketing, and ultimately increased costs to the consumers and reduced profitability for the industry.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am delighted in one sense to have an opportunity to take part in this debate on time allocation but really saddened that the opportunity has been forced upon us one more time.

The hon. member for Athabasca threw some figures around in his speech earlier today, and I cannot let those figures go unchallenged. We know that since 1989 and the Speech from the Throne that commenced this particular session closure has been used 13 times by this government. One might hope that the 13th time might prove singularly unlucky for this government, but of course I shant get into superstitions of that nature.

Previous to that, in this government's Parliament that sat from 1984 to 1988, closure was used twice. In the governments previous to that, the Trudeau government of 1980 to 1984, closure was used twice. Where are the rights of Canadians being taken care of with a government that refuses to allow debate?

The whole point of closure historically in the parliamentary sense was to prevent an opposition that was being unduly recalcitrant and refusing to allow the will of the government to be passed, the duly elected government. To have a bill introduced and closure motion brought in instantly, hardly fits the spirit of time allocation. How can anyone say that the opposition, either the Official Opposition or the New Democratic Party, is being unruly or unduly blocking government legislation when we barely have the time to discuss matters of great importance to our nation? Thirteen times and this Parliament is barely two years old.

My hon. friend from Kingston and the Islands has brought this to the attention of the House. My hon.

friend from Scarborough—Rouge River has done the same thing. We have a duty as the opposition to ensure that bills brought forward by the government are debated fully and discussed clearly, so that Canadians across this country understand what the government policy is, how these bills are going to affect them, and what a reasonable person—and there may be a few still on the other side of the House—might expect from the implementation of government policy.

We have here a situation of time allocation being placed on the bill that will end the existence of the oil company owned by the people of Canada.

I realize that there are basic philosophic differences between the party that forms the government and my party. I guess one of those basic philosophic differences has to do with the creation and the continued existence of Petro-Canada.

Back in 1973—1975 when Petro-Canada was first being formed in this country there were a variety of reasons for its formation. Those reasons hold good today. Every member who sits on this side of the House recognizes that. I suspect, in spite of the differences in policy, that many of the members on the other side of the House—perhaps most particularly those members who come from eastern Canada and there are still a few of them left—will remember why Petro-Canada was formed and why it was created.

The hon. member for Erie who spoke just before me said that it was not formed to lower gas prices. I believe it was the hon. member for Athabasca who said that it was not formed to pump gas for Canadians. These are specific and small minded responses to the creation of a national oil company. A Crown corporation was formed so that the Canadian people could have a piece of the action in whatever the future held in energy policy in this country.

If pumping gas was a part of it, so be it. By using it as a hedge against oil prices because of the problems in the gulf or because of other problems that have happened from time to time and will continue to happen given the unstable political situation in the Middle East, that is what Petro-Canada is for. It is to carry out the public policies on energy, to the benefit of the Canadian people. It is to carry out the will of the Canadian people with regard to energy policy.

It is not—and I fear this is one of the reasons that we see a time allocation motion before us today—a corporation that falls in line with American policy on energy and it is not a corporation that falls in line with the new style energy policy put forward by this government which again is one that says: "whatever the Americans want, we are prepared to give it to them; whatever the Americans need, we are prepared to see they have it." Eastern Canadians suffer, particularly Atlantic Canadians, Nova Scotians and Prince Edward Islanders in my region, from world oil prices and from the enforced purchase of oil from foreign sources.

Thirteen times this government has inflicted closure and six times it has inflicted time allocation, stifling debate for a total of nineteen times. It is not good enough.

The minister sits there and smiles. I suggest that the minister and those members will smile on the other side of their faces when the Canadian people have the opportunity to say what they feel about the stifling of the debate, when the Canadian people have the opportunity to tell this government what they feel about democracy and about the tearing down of their institutions.

The expression was used that the infrastructure of Canada is being systematically destroyed by this government. Every single one of the members of the government is a part of the systematic destruction of this country. The people of Canada and members on this side of the House will not stand by and let this destruction take place without response. This is our response. These measures are Draconian. There is only one word to say, and that word is shame.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ECONOMY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, Canada's resource communities are being devastated by this government's economic policies. Communities from Valemount to Atikokan to Canso are suffering.

Thousands of forestry and fishery jobs are disappearing. This government has allowed our resource stocks to be depleted and wiped out. The finance minister asks what can he do. This government signed away our forest policy decisions through the softwood lumber tariff. Because of this, our lumber exports to the U.S. are down. The U.S. government has even issued 64 orders to the Canadian government telling us how to run our forest policy.

The Government of Canada should use section 9 of the agreement and give immediate notice of termination of this tariff. This would help ensure Canadian forestry jobs are protected. It is time the Minister of Finance understood the effect of his policies on real Canadians.

* * *

FOOD AND DRUGS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, it appears that this government will miss the January 1, 1991 deadline for the issuance of regulations mandating new warning labels on cigarette packages.

It is now known that smoking is addictive. It is a major cause of stroke and fatal lung disease and harms non-smokers as well. The new regulation would require that warnings be explicit on the package and that toxic ingredients would have to be listed without abbreviations and that information leaflets on the adverse effects of smoking be inserted inside packages.

Cigarette smoking is the number one future killer of today's teenagers. Thousands of Canadians smoke their first cigarette by the time they reach adolescence.

Therefore, I urge the Minister of National Health and Welfare to step in and speed up the wheels of bureaucracy in the interest of all Canadians. A good cause delayed is a good cause denied.

CANADA POST

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, small businesses in my riding are outraged at the latest initiative by Canada Post to increase its profitability.

Canada Post has begun an aggressive campaign to increase the corporation's share in the distribution of flyers for large national firms, a job that is currently being done by a number of smaller independently-owned operations.

Sales representatives are roaming through the marketplace and systematically undercutting the smaller operations on many of these contracts by offering prices close to 100 per cent lower than the next lowest private sector bid. Canada Post is driving the private sector into financial ruin with these predatory pricing policies.

As this is Small Business Week in Canada, I call upon the minister responsible for Canada Post to begin an immediate review of this policy to ensure this Crown corporation is not improving its own fiscal position at the expense of the small business community in this country.

* * *

[*Translation*]

FEDERAL BUSINESS DEVELOPMENT BANK

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the federal government plays a major role in helping small businesses secure loans. The Federal Business Development Bank remains one of the government's main channels to provide financing for companies.

Since its foundation in 1944 the FBDB has made loans valued at $12 billion to more than 160,000 small- and medium-sized businesses. Some 90,000 customers benefited from its services in 1990.

That same year the FBDB gave strong support to small- and medium-sized businesses by underwriting 5,602 loans and loan guarantees worth $963.9 million.

Note that the lending activities of the FBDB have increased in the weaker economic regions.

This government intermediary provides the kind of support which Canadian businesses have come to appreciate, all the more so since it encourages women's entrepreneurship.

* * *

[*English*]

EASTERN EUROPE

Mr. Tom Wappel (Scarborough West): Mr. Speaker, 34 years ago today the flame of liberty was lit by the freedom fighters of Hungary. For a few glorious days, the yoke of oppression was cast off and democracy made an appearance. However, the idealism of the people was soon crushed by the might of the Soviet military, with the loss of many lives.

However, the blood of these patriots was not shed in vain, for as we know, the people of Hungary and all eastern Europe have come to realize what the west has long known; communism does not work.

Let us hope that the spirit of the Hungarian freedom fighters, manifested most recently in the hearts of students on Tiananmen Square continues to light the way to liberty throughout the world.

* * *

THE LATE GORDON WRIGHT

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I rise today to pay tribute to the late Gordon Wright, former MLA for the Alberta provincial constituency of Edmonton Strathcona.

Edmontonians are deeply saddened at his passing.

He was a noble, principled, sincere gentleman who was concerned with the human condition. Gordon was a champion of the ordinary Canadian and a fighter for the less privileged.

I worked with him on many cases and knew him to be a warm, concerned individual who would spare no effort to see a problem resolved.

On behalf of my Alberta caucus colleagues, I offer his family our deepest sympathies and condolences.

* * *

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, the Ontario Federation of Agriculture has passed a motion recently to censure the Minister for International Trade for saying that the Deputy Prime Minister should be ashamed of himself for providing $8.8 billion of support to Canadian farmers.

Canadian farmers are outraged by the comments of the minister of trade because they are simply not true. He quotes financial support programs that the government provided in 1987 and 1988, most of which the government has since cancelled.

In fact, direct farm support programs this year will be less than $2 billion. This shows how the minister of trade is trying to mislead Canadians.

How can Canadian farmers have confidence in the minister of trade to protect their interests at the GATT negotiation when he demonstrates such a woeful ignorance of the very documents that he himself has tabled there? It is time the Deputy Prime Minister or someone with integrity in the government sets the record straight on the amount of Canadian farm support programs because we have not heard the truth from the Minister for International Trade.

* * *

MULTICULTURALISM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, racism takes many forms in Canada and must be challenged.

We call on the Liberal appointed board of the Ottawa Congress Centre to reconsider its decision and cancel the November 5 appearance of holocaust doubter, David Irving. His kind of racism should not be imported to Canada.

Former Governor General Jean Sauvé showed outdated colonial thinking that assumes the superiority of our anglo–franco heritage when she stated recently: "If the growing mixture of immigrants does not assimilate into either the French or English culture, Canada will become multiracial and the French–English basis of our nation will become indistinct".

Canada already is a rich mix of races who must be treated equally. The MP from Winnipeg South recently said that multiculturalism promotes racism and has divided Canadian society by emphasizing differences among cultures.

The reverse is true. Multiculturalism respects diversity, protects equal rights, and promotes pride in being Canadian. It must be the goal of Canadian citizenship in the 1990s.

* * *

[*Translation*]

GOVERNMENT EXPENDITURES

Mr. Yvon Côté (Richmond—Wolfe): Right from the beginning in 1984, Mr. Speaker, the Conservative government got down to work to reduce federal outlays. Among other things, there are 57,000 fewer civil servants on the federal payroll, or about the same number as the Public Service had in 1973-74, and operating expenses have risen at a lower rate than inflation.

Therefore I urge the government to keep a tight rein on things. My fellow Canadians in Richmond—Wolfe happen to believe that further cut-backs can be made, particularly in the various departments in Ottawa.

Mr. Speaker, I would strongly suggest that each department hire private consultants to study deparmental organization and operations, redefine jobs, evaluate salaries, and reduce operating an travelling expenditures.

Mr. Speaker, I believe there is still enough fat left to slash even more resolutely and use these savings to lower the deficit and the national debt.

* * *

FAMILY VIOLENCE

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, in Quebec only, 300,000 women are abused verbally, sexually or physically. In 1989, some 9,376 cases of family violence were reported to the police, a 15 percent increase over 1988. This figure does not include the thousands of women who never filed complaints against their spouses. Ninety seven percent of abused women were kicked or punched, beaten or shot with a gun.

It is very difficult for health care professionals, Mr. Speaker, to detect family violence. That is why I really want to point out the work accomplished by Mrs. Michelle Doyon and her team at the *Regroupement des CLSC du Montréal métropolitain,* who put together a family violence detection guide.

Mr. Speaker, I hope that initiative will be recognized as a further step towards ending violence against women.

* * *

• (1410)

[*English*]

TRANSPORT CANADA

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, Sandy Pedersen was accepted into an eight-month training program in Cornwall, Ontario beginning February, 1989 to learn how to advise pilots of weather conditions. She quit her job in Fort Erie, sold her home and relocated.

On October 25, just two days before her graduation, she was told by the minister's officials that she was medically unfit for this job.

Sandy Peterson stated that she was epileptic on her original application in 1988. One year later, her medical report of August 1, 1989 stated she was healthy and her epilepsy was controlled. The department, in a memo dated September 1 of that same year, posted her to an airport in Sudbury. Yet on October 25 the department, after having the knowledge of her controlled condition for over two years, decided that she was unfit for the job. Surely, the department has made an error.

I call upon the Minister of Transport to personally reopen the case of Sandy Pedersen and either reinstate her or compensate her for the two years of wasted time his department has caused.

* * *

[*Translation*]

ACID RAIN

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, yesterday was a memorable day for Canada and the canadian people. The House of Representatives and the Senate of the United States both agreed on measures to substantially reduce acid-rain-causing emisious in the United States. These measures, combined with those our Government has taken since 1985, will protect the Canadian environment from damages caused by acid rain.

Mr. Speaker, need I remind the House of the vital role played by the Prime Minister of Canada in bringing this issue to the fore. His perseverance and tenacity over the

past six years are bearing fruits. We should also emphasize the determination shown by President Bush on this issue.

This major legislation, which should be passed by the US Congress before the end of the week should clear the way for the bilateral acid-rain accord now being negotiated which should ensure once and for all the elimination of acid rain.

* * *

NUCLEAR WEAPONS

Mr. Svend J. Robinson (Burnaby—Kingsway): Yesterday, Mr. Speaker, the Secretary of State for External Affairs refused to commit himself to play among Canada's allies a leadership role in an effort to convince them to never use nuclear weapons should war break out in the Persian Gulf. Thousands of Canadians men and women are quite concerned about the possibility of a war in the Middle-East which could result in a great many lives being lost.

[*English*]

Given the explosive and dangerous environment of the Persian Gulf in which the Canadian Peace Alliance estimates that there are 21 nuclear-capable ships carrying 368 nuclear weapons, it is imperative that all multinational forces operating in the Middle East immediately come under UN command. The peace seeking mandate of the United Nations will certainly help to prevent a nuclear or chemical conflict. Canada must lead the way in demanding that all countries involved pledge not to use chemical, biological or nuclear weapons.

* * *

THE ENVIRONMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, last Sunday heralded good news for both Canada and the environment with the announcement that both houses of the U.S. Congress had reached a consensus on the acid rain provisions contained in the new U.S. clean air legislation.

The legislated measures will cut the annual U.S. emissions of sulphur dioxide by 10 million tonnes or almost 50 per cent by the year 2001 and reduce the emissions of nitrogen oxides, the second major ingredient of acid rain, by between 2.5 million and four million tonnes by the same target date.

President George Bush has promised to sign the legislation into law, after its quick passage expected this week in both houses of the U.S. Congress.

As one who has fought long and hard for over 10 years on the acid rain issue, last Sunday's news was the realization of a dream come true and a personal vindication of the time and energy spent.

Mr. Speaker, I know also that you were a member who visited Washington some years ago to start putting the pressure on the United States government.

* * *

SMALL BUSINESS WEEK

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, this is Small Business Week in Canada.

[*Translation*]

It would be appropriate to pause each year to emphasize the accomplishment of small and medium-sized businesses which are unquestionably the motor of our national economy. This of course is obvious when one realizes that over 98 per cent of the 900,000 Canadian corporations belong to these two categories.

Small businesses, which provides employment for over 40 per cent of the Canadian labour force, contribute very significantly to the welfare of our nation. There is no doubt that they will be called upon to play a very important role on the threshold of the 21st Century.

[*English*]

With the Canadian economy in recession, the federal government must readjust its high dollar and high interest rate economic policy that has been hurting Canadian businesses.

In conclusion, I wish to salute the entrepreneurial spirit of the small businesses in my riding of Restigouche—Chaleur, as well as to all those across Canada. Small businesses are the engines of the economy.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday evening the minister became the last person in the country to be willing to use the *r* word, recession.

Now that the minister has admitted that we are in a recession, will he tell Canadians just how long he expects it to last? Will he now begin reversing the high interest rate, high dollar policies that experts say have largely contributed to this recession and bring in a new economic plan to make this recession shorter than it would otherwise be, instead of prolonging the agony caused by the government and its policies for the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me just note some of the other observers of the economic scene. We heard the Royal Bank yesterday when it stated that it was going to be a shallow recession. It said that it was something that was based on factors that are happening in other countries.

The hon. member knows that we have been sensitive to the weakening in the economy. We have taken steps going back three or four months to start the reduction of interest rates. I think that demonstrates the commitment of the government.

Before I resume my seat, let me remark that it is a rarity that the ridiculous rhetoric from the rubes across the room ever resulted in anything rational, relevant, or right.

Some hon. members: Hear, hear.

* * *

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): The Minister of Finance really is wrong once again. Also, what he just said is ridiculous.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): The Conference Board says that the minister's policies have created the first made-in-Canada recession. Yesterday, in Vancouver, even the Prime Minister admitted that he was deeply troubled by aspects of this minister's goods and services tax. He stubbornly and perversely insisted that he would do nothing about them until the tax became law, even though experts are saying that the GST will make this current recession even worse.

Why is the Minister of Finance persisting with the GST when even his Prime Minister says it has serious flaws and when experts say it will make the recession even worse? Why does he not withdraw the tax and go back to the drawing-board before the GST makes the recession even more severe than it would otherwise be?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I might draw my friend's attention to a headline today which states: "Recession not Ottawa's fault". The article goes on:

> "It is very difficult to describe (it)—

—the recession—

> —as a uniquely Canadian situation—It's a North American situation.

That is Ed Neufeld of the Royal Bank of Canada.

If there is a slow-down in the United States, there is a slow-down here. There has been a major slow-down in the United States.

My friend can quote the Conference Board. There are other people who have different opinions. The point that we have to recognize is the point that I have been talking about in the House and elsewhere for some nine months now. This is going to be a difficult year in the economy as we come through a year of transition, from when we had severe inflationary pressures, to one where we are getting inflation under control, to one where we can see a good recovery from the situation that we are in now.

• (1420)

My colleague says: "Let's scrap the GST." Mr. Speaker, if he would listen to some of the very people that he persists in quoting, including the Conference Board of Canada, they are supportive of the goods and services tax because it will be helpful for the economy and it will be helpful for the manufacturing sector. It will provide a 4 per cent boost to new investment in plant equipment and new technology. It will help low-income people because

the low-income credit will result in Canadians, with incomes of less than $30,000, paying less tax.

Why, in face of all these benefits, should we pursue the route that is pursued by the Leader of the Opposition which is precisely, politically motivated in a very cynical way?

Some hon. members: Hear, hear.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister's self-righteous and rigid point of view will not help Canadians who are being, daily, damaged by his policies.

He talks about concern for low-income Canadians and yet, today, the Toronto-Dominion Bank in a report states:

> The inflationary pressures from the GST will become much more pronounced in the early months of 1991, when the tax will be levied on nearly all goods and services at the retail level.

It goes on to state:

> Another contraction in the economy is forecast in the first quarter of 1991 as the full effects of the implementation of the GST are felt.

[*Translation*]

So I ask the Minister of Finance why would he insist on imposing his GST when experts say that it creates serious problems? One of the experts is the Prime Minister himself who admits that the GST creates serious problems, while others like the Toronto-Dominion Bank state that the minister's policies have led us into this recession.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we all listen to this continuing rhetoric that the Leader of the Opposition and other members have about the goods and services tax. We got a little bit more of it from Jean Chrétien last night when he said, critically, of the leader of my party, the Prime Minister: "It is always my way or the doorway."

Well, what is Mr. Chrétien's way? First, Mr. Chrétien's way is to say: "It is irresponsible to scrap the tax unless we have an alternative." But then he says: "I want this tax dead." But then: "We will review it. I'm forming a committee to consider alternatives." Mr. Chrétien's way is to say: "My way or no way—maybe, possibly".

We might get some answers from Mr. Chrétien, but we certainly do not know which way is his way.

Some hon. members: Hear, hear.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, my question is directed to the Minister of Finance and has to do with the Prime Minister's promise to change the GST even before it is adopted by Parliament.

Before forcing Canadians to swallow the GST, why does the minister refuse to admit that this tax is basically wrong and that it unfairly applies to other things besides books, for instance newspapers, funeral services, home heating, children's clothing and housing?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it was well known to the Liberal Party of Canada, when it supported an approach to a broad-based sales tax in a committee of the House and a committee of the Senate, that a broad base included all those products.

Why did the Liberal Party of Canada support those resolutions and why has it changed its mind now? The only reason that anybody can give for that is pure, cynical politics or as Donato has written in a cartoon in the *Sun* today: "Sure we have to kill the GST, Allan," says Jean Chrétien, "but don't kill it too much. After we win the next election, we're going to need that extra money."

That is the reason why the Liberal Party is flip-flopping all over the map on this one. It does not have any alternatives because the Liberals do not want to have an alternative.

Mr. John Manley (Ottawa South): Mr. Speaker, the Prime Minister seems to be willing to change his tax, but the Minister of Finance is not. We have to wonder whether it is the government's tax, or whether it is just the minister's tax.

The Prime Minister yesterday finally admitted what Canadians have known all along, which is that the GST is going to have been changed because it is flawed. The height of stupidity is that the government now seems ready to attempt to fix the GST after it has implemented it. It will be the first tax ever to be changed before it has even been passed.

Why does the minister not do the sensible thing, forget about the GST, and come forward with some policies to fix the recession in Canada that he, by his own policies, has caused?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says we have not changed any elements of the GST. The hon. member is a member of a committee that came out with a report a year ago. We read that report very carefully, responded to a number of the suggestions, proposals, and recommendations that were in that report and made some changes which I announced in the House on December 19 last year.

The hon. member says we should scrap it. If the hon. member has any alternatives, any basis on which we could improve the tax, then we have listened to those. We have incorporated those and they have been the subject to a vote in the House. It is passed and it is now sitting in the other place waiting to be passed over there.

The basic reason why we think that it must be passed is because it is going to be better for this economy.

Mr. Fontana: It will be wrong.

Mr. Wilson (Etobicoke Centre): The hon. member for London East says it will be wrong. If he would let me know how he thinks it will be wrong, maybe we could have listened. But he was nowhere to be seen a few months ago.

What we have said, Mr. Speaker, is that the tax is good for the manufacturing sector. It is good for our resource sector. It is good for exporters. It is good for producers who are having to compete with importers. It will improve the health of this economy.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, last night the finance minister finally got his courage up and he said the *r* word.

Some hon. members: Oh, oh.

Mr. Langdon: He also complacently went on to say, and I quote from the transcripts of the committee:

> —it is not only natural but it is necessary to have some levelling off here—

Can the minister tell Canadian families across the country how it can be natural and necessary to lose 80,000 jobs next year, as the Royal Bank has forecast? How can it make sense to drive us into a recession?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I ask the hon. member to make that statement, but to make it in the context of what has happened since 1984, when 1,600,000 jobs have been created.

I also ask him to consider what would happen if we had let the party go on and let inflation get out of control, as is happening right now in the United Kingdom. The result would have been far higher interest rates and a much more difficult economy.

I take no satisfaction out of seeing people lose jobs. I made that point last night, but my hon. friend neglects to quote that. I would like to see an economy that is booming, but unfortunately an economy cannot continue to boom. That is why I say it is natural to have a slow-down. It is the same way for someone running a marathon, they cannot run it at the same pace as they run a four-minute mile.

• (1430)

We have to slow down, get our pace, catch our breath and understand how we can get back on to a faster pace of growth later. That is the basis on which I said last night, as I have said on many occasions, that it is a natural evolution of an economy to have that type of slowdown.

The key is to make sure that the slowdown—

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this would be the first marathon runner that I have ever seen who turned around and started to go backward.

Does the minister not realize that his recession means lost farms, lost businesses, lost jobs and lost hopes for Canadians right across this country? Will this minister not take action to do something about this recession? Will he not cancel the punitive GST tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is precisely the same question that was asked on two occasions by the Liberals just today in the House.

I would suggest that possibly the hon. member might write his questions three or four at a time so he could have a little variety.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we keep hoping that the minister may actually listen, change his mind and help this country to recover.

[*Translation*]

Mr. Speaker, last night the Minister of Finance finally admitted that we Canadians are in a recession. What is he going to do to stop this recession?

[*English*]

If he is not prepared to take action to counter it, is he prepared to do the right thing, and stand up and quit as finance minister of this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer to that question is no, I am not.

The hon. member neglects to say that during the six years that this country has been governed by the Progressive Conservative Party, we have had extremely good levels of growth. We have seen 1.6 million jobs created. We have seen Canada number two in the major industrialized countries, just behind Japan in economic growth.

For him to focus on a very narrow period neglects the position that we have attained over the course of the last six years. This is a very difficult period that we are going through. I have always acknowledged that. I predicted that in the budget that I had in February of this year. I do not take any pleasure in seeing those predictions come through, but I think it is important for me, as Minister of Finance, to be forthright and direct with Canadians, and tell them—

Mr. Tobin: But you weren't in the last election. You misled them then, too.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we are getting some very direct talk over here.

Maybe the hon. member could stand up and ask a question. I would answer that one, too.

The point is that we have been frank. We have said to Canadians what we think is going to happen to the economy. The position that we are saying right now is that we are going through this difficult period, but in the spring of next year we expect to see some recovery back to the more normal rates of growth in the 3 or 3.5 per cent range.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Minister of Finance. For the first time yesterday the Prime Minister admitted that he does not like the GST on books, the Bible, the Koran and other learning materials, and that he was considering re-examining it after it is in place. He admitted that the GST is full of errors. Is the government prepared to remove the GST on books and other learning materials? Does he agree with his Prime Minister?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the Prime Minister is saying is that the government is quite prepared to look at various aspects of the implementation of this tax to see what the impact of the implementation will be. Then we can look to see if any changes are appropriate. That is the same as what happens with any income tax changes. We make changes to the income tax system and watch how they affect the people who are affected by those changes. The same holds true for the goods and services tax as well.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is to the same minister.

The Ontario Federation of Students just concluded a study which shows definitively that as students, they will have to pay between $340 and $725 more per year for items such as books, reading and other learning materials, transport, electricity, lodging and cafeteria services as well.

What is the minister prepared to do to help these students, who are among the poorest of all Canadians, to counteract these extra costs to them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, those students are living pretty well if they are going to be paying $725 more. Seven per cent of $10,000 is $725. Today, on average, Canadians are paying $690 of sales tax already. If you apply that again, those figures would suggest that those students are living on $20,000 a year. I do not know many students who are living on $20,000 a year.

EXTERNAL AFFAIRS

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

In recent days we have seen the release of British, American, French and Russian hostages from Iraq. By their own admission, Canadian officials have indicated that they have been unable to secure the release of Canadians still held in Iraq, including those with illnesses and our diplomats from Kuwait.

I would like to ask the minister if he has any special measures that he proposes to undertake to release Canadian hostages, for example, sending a special emissary to the Iraqi government or special committees of Parliament or whatever means to try to provide for the release of Canadian hostages, many of whom are being held under duress.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member will remember that Canada was the first country that was able to arrange the release of large numbers of persons in Iraq and in Kuwait by chartering an aircraft.

We took out not only Canadian nationals but also others. That started a practice that was of sufficient concern to the Iraqi government that it stopped permission for that practice later on.

I would be prepared, naturally, to seriously consider any proposal the hon. member or other members of the House might make with regard to ways in which we could help more Canadians who are in Iraq or Kuwait against their will to come home, providing that that was consistent with the very strong position that Canada and other countries have taken in support of the common actions of the Security Council of the United Nations.

* * *

NATIONAL DEFENCE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence.

It has been reported that the government is now planning to change the complement of ships or crews that are presently in the gulf in the immediate or near term.

Can the government confirm its plans? In particular, can we get assurances from the minister in the spirit with which we have been approaching this to have Parliament consulted before any final decisions are made as to these plans relating to our forces in the gulf area?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, there are several alternatives that have been examined by military leadership as to replacing the ships' complements or replacing the ships.

We had hoped the hon. member would understand that this is neither adding to nor detracting from the commitment that Canada has made to enforcing UN sanctions and deterring aggression. Now that he has raised the question, it is important that I be allowed to answer it because of the concern that dependants of Canadian men and women who are serving would have because he has raised the question.

I can inform the hon. member that the government will be rotating ships' complements on the three vessels that are there. He will know that we cannot replace the *Protecteur*. He will also be aware, Mr. Speaker, that the *Athabaskan*, which is one of the DDH class, would have to go into the TRUMP program so we will put in its place the *Huron*. It would not be cost-effective to equip one ship, strip it, equip another ship and have it stripped.

• (1440)

The *Terra Nova* is a long-serving vessel and will continue to serve. It will remain where it is. We believe the most cost-effective thing that we can do is rotate the complements. To the dependants of those men and women, I would say that the duration of the stay of the Canadian forces personnel will not be longer than necessary. They can anticipate, although there will be varied times, that the ships' complements will be returning home, after a stay of from five to seven months.

* * *

ENERGY

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the minister of energy and is related to gasoline pricing.

In February 1990, oil was selling at $25.97 a barrel here in Canada and gasoline was selling that same month at 53.8 cents per litre.

In June 1990, a barrel of oil was $18.85, a drop of $7, and in June 1990, the price of gas went up to 57.8 cents.

In October of this year the price for a barrel of oil was approximately $40 U.S. a little over a week ago, and the price of gasoline was 63 cents a litre. Now the price for a barrel of oil is down to $28 and gasoline is still 63 cents a litre.

As a former minister of health, can the minister tell us why the oil companies act like they have Ex-lax when the price has to go up but Kaopectate when the price has to come down? Can you tell us that, Mr. Minister?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as minister of health, neither my age nor expertise gave me the ability to describe those situations the hon. member is experiencing.

Some hon. members: Hear, hear.

Mr. Epp: I want to tell the hon. member that we are concerned about energy prices. Along with the Minister of Consumer and Corporate Affairs, we are monitoring the cost of energy to consumers very carefully.

Last week I was asked about the increase in the price of energy. I said there is a mathematical formula both up and down and that is for every dollar of increase per barrel of oil, approximately a $20 benchmark, it is about .7 cents per litre increase, but it also has to factor in taxes.

What we will be doing tomorrow is meeting with the industry as well as consumer groups and we will be discussing these various issues. I say to the hon. member that we have moved toward a world market price for oil, both for Canada as well as, obviously, the imports we have to pay for, and we will continue monitoring.

Keep in mind as well the accounting system which we have in Canada for oil going into the system as well as oil going out, as against the American system which has a much bigger response time.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I was not impressed with the answer.

Some hon. members: Oh, oh.

Mr. Barrett: Are you suggesting that the government have an enema?

Why is the minister going to have a friendly chat with the oil industry tomorrow at the same time there is legislation selling off Petro-Canada? If the minister was serious in monitoring the price, he would use Petro-Canada. Why does he not use the government instrument of Petro-Canada to check on the gas prices in this country?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the hon. member did not like the answer I gave him, but I hope that the diagnosis still fits. I remember 1972-74 and the creation of Petro-Canada. The former minister of energy, Mr. Lalonde, was quoted just today on a question on Petro-Canada. "Wasn't Petro-Canada supposed to protect us, the consumers, against the vagaries of a market and the kind of inconsistent behaviour and buffeting around that happens out there?" That was the question.

This is today's answer. He said today on the Peter Gzowski show: "No, that was never the purpose of Petro-Canada, not to protect us against the vagaries of the market. It was to provide the Canadian government with an insight on the industry, a window on the industry if you wish, and secondly provide a significant Canadian ownership in the industry. But nobody ever guaranteed that the existence of Petro-Canada would mean cheaper oil".

* * *

NUNAVUT

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, in the absence of the Prime Minister, my question is for the Deputy Prime Minister.

As the Deputy Prime Minister knows, division of the Northwest Territories in order to create a homeland for Inuit called Nunavut is a long-standing goal of the Inuit of the central and eastern Arctic. Toward this goal, the Government of the Northwest Territories and the Inuit negotiators recently agreed to a target date for the creation of Nunavut.

What steps is the Government of Canada taking to support the creation of Nunavut, both politically and financially?

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I thank the hon. member for his question. We indeed are very

pleased that the agreement has been reached by the Government of the Northwest Territories on the division.

My colleague, the Minister of Indian Affairs and Northern Development, indeed will be working and meeting with both groups, the government and the native groups in that area, to arrive at the steps that are to be taken so that we can move quickly to its completion.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, on September 25, in this House, the Prime Minister stated about his new aboriginal agenda: "The objective will be the enlargement of aboriginal capacity for self-government within the framework of the Canadian Constitution".

Since the creation of Nunavut will achieve that objective for the Inuit, will the minister agree to the proposal by the leader of the Government of the Northwest Territories in terms of committing financially the amount needed to create that territory and ensuring that the western portion of that territory does not suffer as a result of that division?

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the financial arrangements as well as all of the administrative arrangements are points for discussion in the upcoming meetings, and they will be looked at very closely.

Mr. Speaker: The hon. member for LaSalle—Émard.

An hon. member: Your father is listening.

Mr. Martin: Mr. Speaker, whatever you do, don't call me out of order today.

Mr. Speaker: Whatever the hon. member does, don't give me reason.

Some hon. members: Hear, hear.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of the Environment. The minister intends to apply very strict criteria to the James Bay project. However, he did not apply the same criteria to Point Aconi in Nova Scotia or the Alcan project in British Columbia. These projects were exempted because, according to the Minister of Fisheries and Oceans, there would be no environmental damage.

My question is this: does the scientific information on which the decision of the Minister of Fisheries was based, which includes scientific opinions that are totally unacceptable, reflect the criteria the Minister of the Environment intends to apply in future?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, if the hon. member is referring to the Point Aconi project, he should know that we initiated an assessment of this project. We considered all the points raised by the public throughout Nova Scotia with respect to the Point Aconi project. According to the experts, all the questions that were raised could be dealt with through action that was taken and in fact requested by the company concerned. Once the criteria had been met, there was no need to request a public panel on a matter that, according to the experts, could be dealt with satisfactorily.

• (1450)

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, if there is any indication of the problem of defending the environment with this government, it is that the Minister of the Environment refuses to stand up and defend the record of his government.

For some months this government has defended its case with regard to the Rafferty-Alameda, but I would like to cite a federal official who said yesterday: "Irreparable harm is being done to the environment by the Rafferty-Alameda project." The fact is that irreparable harm is being done to the environment by this government.

Given the very high quality of scientific attack which is being levelled against the evaluations that were done in the case of Point Aconi and in the case of Alcan, will the minister order a complete review of these projects now? Or, once again must the Canadian people and this side of the House push this government and this minister into doing its job?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I will repeat something I have said quite often. This government is following the EARP guidelines exactly in the way that the former government put them in.

It is important to note that we have put forth a new bill on environmental assessment to go further than the EARP guidelines and to do the job the way we believe it should be done.

I would urge the opposition to support strongly the bill that we have before this House at the moment.

* * *

GOODS AND SERVICES TAX

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, last night the Prime Minister, in response to a student who protested the application of the GST to books, said the following: "My hope and expectation is that once we get it in and get it implemented, we are going to be able to revise the tax code in such a way as to ensure that the quite sensitive and sensible question you raise can be dealt with, with satisfaction."

My question is for the Minister of Finance. What on earth does the Prime Minister mean? Does he mean that the government was wrong to apply the tax to books in the first place? Does he mean he is going to remove it next year? Does he mean he is going to remove it now? Why doesn't he remove it now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I have responded to that question. What I have said in previous answers in the House today is that with any tax initiative, particularly a tax initiative of this sort of magnitude, we always review the implementation. We always review the impact of the tax as it affects different people. We are quite prepared to do that in this case, as indicated by the Prime Minister yesterday.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, last night the Minister of Finance discovered the *r* word recession. Prime Minister, in his turn, discovered another *r* word, reversal, reversal of the claim that the GST was revenue neutral.

Will not the government discover the virtue of other *r* words like repent, respond to the people, and renounce the GST?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in response to the hon. member's *r* word, let me talk about another *r* word, revenue neutral and precisely what is meant by that word.

In the course of tax reform we said we would not take additional revenues under the cloud of tax reform, that dollars in would equal dollars out. We would replace an existing tax with a new tax and would not try to get additional revenues.

As far as the impact of the GST on the economy and on tax policy is concerned, it definitely helps generate additional revenues over what would be the case if we did not have the tax.

For one it will result in a major boost to new investment. That will create jobs and new revenues. In addition, it will reduce a significant amount of tax avoidance amounting to some $2 billion a year. Again, if we had not brought in the GST we would see that the deficit would go up by $2 billion.

Those are two very clear reasons as to how the GST will help us reduce the deficit.

* * *

[*Translation*]

IMMIGRATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. This summer we were supposed to sign an agreement with the Government of Quebec to confirm Quebec's full authority over immigration matters. I am sure you realize that controlling the selection of immigrants and their cultural, linguistic and economic integration is extremely important to Quebec.

Madam Minister, why the delay in signing this agreement?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is of course unfortunate that we cannot sign constitutional agreements as originally planned under the Meech Lake Accord. Nevertheless, our two governments still intend to update the existing Cullen-Couture accord signed in 1976.

Today, however, I cannot confirm on what date intergovernmental talks will be finalized, but I can assure the hon. member that we remain firmly resolved to conclude an agreement.

* * *

SPACE AGENCY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. Last February, a press conference was held at Saint-Hubert to announce the construction schedule for the Space Agency. At the time it was announced that

architects and engineers would be appointed by April 15. It was also announced there would be a progress report on September 30 this year. However, the people of the South Shore and the greater Montreal area complain that nothing has been done. What is happening on this score, Mr. Speaker?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, since the hon. member for Longueuil used to sit on this side of the House, he ought to know that the Space Agency is a very complex dossier and that it is part of the overall plan for space development in Canada.

The Space Agency itself has proceeded with a number of operations, including the transfer of a number of people to Saint-Hubert and Montreal. In a matter of weeks I should be in a position to announce that not just the agency but the whole space program has been finalized, and I think the people in Saint-Hubert and Montreal and across this country will be delighted with the announcement I intend to make in the weeks to come.

* * *

[*English*]

BILL C-21

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Employment and Immigration.

This year, for the first time in 14 years, the government refused to pass the variable entrance requirement bill for unemployment insurance. In the face of a recession the government held thousands of Canadians in high unemployment regions hostage to the passage of the bill, which regrettably passed last night in the Senate.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Tobin: Mr. Speaker, now the applause has died down, perhaps the government can tell us, then, why the government announced today that it will take four more weeks for this bill to be implemented and an additional four weeks to process UI claims, so that the net effect of the passage of the bill is that thousands of Canadians in high unemployment areas right across this country will not have any income for Christmas.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think there are three or four things that the hon. member should know. First of all, at least part of the delay having to do with the fishing benefits concerned a compromise between the Senate and the elected House through our desire to be reasonable. Had we accepted the amendment originally proposed by the Senate, it would have taken longer.

Second, I would like to point out it was this elected House of Commons that passed this act originally. It is the policy of this elected House, and it is about time it went into place. Third, let me point out that when the Liberal government changed the law with Bill C-69, Royal Assent was on December 20, 1975 and the bill went into effect only on July 4, 1976, six months and 14 days later.

• (1500)

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, the minister has obviously, inadvertently, given completely false information to the people of Canada. It must have been inadvertent because the fact remains a VER bill was before this House on December 19 and again in June, and on both occasions her party voted down the VER, not the Liberal Party of Canada.

Mr. Speaker, my question is very simple. For 14 years her department has been administering a 10-week rule, there is nothing new. Why are we waiting eight weeks for people to be eligible for their unemployment insurance? Why are we stealing Christmas from thousands of the poorest of the poor families of Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, if the hon. member was so concerned about the unemployed, I do not see why he did not urge his Senate colleagues to pass this bill months ago.

The changes to the fishing benefits for self-employed fishermen go into effect on November 4. The changes to the entrance requirements and durations go into effect on November 18. We are all ready to move as fast as we can, in terms of sending out the cheques and processing claims. But the hon. member knows as well as I do that under the law of the land our hands are tied, in terms of

administration, until we have the legislation that we could have had nearly a year ago.

* * *

[*Translation*]

PRESENCE IN GALLERY

Mr. Speaker: I would like to draw the attention of the House to the presence in our gallery—

[*English*]

—the longest serving member of Her Majesty's Canadian Privy Council, the Hon. Paul Martin, Sr.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

WITHDRAWAL OF GOVERNMENT ORDER NO. 16 AND ALL RELEVANT AMENDMENTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise on a point of order, pursuant to the discussions which took place in the House yesterday and on Friday of last week, concerning the government motion which is to be voted upon this afternoon. In the course of substitution on Friday last of the motion which is now before the House for the earlier motion, through a procedural irregularity, unfortunately, the amendment and the subamendment are not before the House.

As I indicated yesterday, I have discussed this matter with representatives of both the government and the Official Opposition.

[*Translation*]

I also spoke to the hon. member for Shefford.

[*English*]

Mr. Speaker, I would hope that there might be agreement to allow the question to be put, without debate, this evening at six o'clock on the amendment which we had originally sought to place before the House to the original government motion. That amendment would read as follows:

> That this House censure the government for not recalling Parliament at the earliest opportunity to fulfil its legitimate function of consultation and debate, as to what role Canada should play in the resolution of the present crisis.

Point of Order

> That Canada work at the UN Security Council to seek assurances that no country will undertake offensive military operations against Iraq, unless they are under UN command and explicitly authorized by the Security Council;
>
> That this House accept the undertaking of the government to present a further resolution to this House in the event of the outbreak of hostilities involving Canadian forces in and around the Arabian Peninsula.

This motion, as its predecessor, would also be referred to the Standing Committee on External Affairs and International Trade.

The effect of allowing this motion to be put would be very straightforward. It will allow us to vote on the subamendment that we had originally proposed to this House and originally sought to vote on before the decision that was made by unanimous consent of this House on Friday last.

I would hope that there might be agreement to allow the vote to take place on this subamendment. I understand that there is to be a meeting of House leaders this afternoon. If it is not possible to arrive at an agreement at this point, I understand there is a discussion of the House leaders and it might be further discussed there. I hope we might agree that the House would be allowed to vote on this subamendment which was originally before the House and in fact was the subject of debate during the entire course of debate on this very important issue.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to speak to the matter raised by the hon. member for Burnaby—Kingsway concerning a request for consent on what I consider to be a very important matter.

This is not the normal business of this House. We are dealing with issues that affect, in basic terms, life and death and war and peace. It is not often that we have occasion to come together and make this kind of judgment and choice. We have had a serious debate in this House on this matter.

It was of some real concern to our caucus and our own party that we wanted to indicate a clear will on behalf of Canadian people concerning the invasion of Kuwait by Iraqi forces and to ensure that we clearly stand for the international response that has been mounted. We are attempting to find an agreement and to co-operate in doing that. Many members on this side of the House stated their position that we were prepared to do that.

Point of Order

We had certain questions relating to the government's original resolution in the sense that it did imply that there would be a blank cheque, if you like, or a mandate given for further action on behalf of the government. We raised that with members opposite, with the Secretary of State and with others. They were most forthcoming in providing, by way of written assurance, that they would be seeking a UN resolution and mandate as well as, and I think this is very important, ensuring that Parliament would be consulted in virtually all circumstances. That was incorporated as part of the amendment.

I have been on both sides of the House and I have participated in literally hundreds of debates. I know from experience that when there has been that sort of dialogue across the House and a mutual agreement made to find a way of resolving some of those differences so that there can be some common ground, that was the basis upon which the resolution was put forward. I think that the amendments and the revisions the government is proposing are certainly acceptable to our side and we would like to proceed.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I think that yesterday I said in no uncertain terms what I thought about this matter. As we approach the end of what to me is a non-debate, since as far as I am concerned, the debate ended Thursday night, some incredible things have been going on in this House. I would like to reserve comment on the statement made by the Speaker this morning until tomorrow. There are no two ways about it: either I do not understand or I understand all too well. I would like to think about it until tomorrow. I did not exactly appreciate the tenor of the debate this morning when the Speaker made some comments on yesterday's ruling. I support the decisions of the Speaker. It is not up to the Speaker of the House of Commons to tell us he may have gone too far. He handed down a ruling yesterday. I want to analyze very carefully what he said this morning and get back to it tomorrow, if necessary.

What I fail to understand, and I hope my colleagues will understand that this is not a split between the parties— I can hear the hon. member, to whom I always refer as my esteemed colleague from the New Democratic Party, saying: another split among the Liberals.

• (1510)

It is not a matter of division but of knowing what is happening. I never saw a debate get so complicated. What exactly is going on? Everyone has an opinion on the subject. I don't understand. I refuse to take part in a debate on such an important matter, with all the wheeling and dealing that is going on, some of it public, some of it private, some of it between the Secretary of State for External Affairs and a few members. This is not the way to approach such an important matter. I will say no more. I won't commit myself. The hon. member said there might be consultations this afternoon. I will be reasonable. Get on with your consultations! I am going to stay here in my seat until the division at six o'clock. I intend to stay here all afternoon. I will see what happens.

Get on with your negociations, but don't ask unanimous consent for something you might decide to do this afternoon, but which is still up in the air. Mr. Speaker, I know there will be a division at six o'clock on a motion. I regret the unanimous consent given last Friday. We will vote accordingly. Now, get on with your work, do as you please, but I am going to stay here and watch this semi-public, semi-private business. We will see, once and for all, whether we are able to conduct our business here in this House, in full view of the Canadian people, because I think they will soon want to know what really happened in this debate. Thank you.

Hon. Jean Lapierre (Shefford): On the same point of order, Mr. Speaker. I just wanted to comment that I don't think the proposal made by the hon. member for the New Democratic Party is reasonable, considering the fact that earlier, the hon. member from Winnipeg made a great show of being magnanimous, claiming that all this had taken place with the full co-operation of all concerned. Mr. Speaker, you know as well as I do it was all done with the greatest possible secrecy. Like the hon. member for Saint-Denis, I wonder who has an interest in this conspiracy of silence, this last minute conspiracy involving a couple of members and the minister. What is going on in this House? Why are Canadian public and hon. members being kept in the dark?

Mr. Speaker: I am sorry to interrupt the hon. member but the debate is now on a different subject. Perhaps the hon. member will have another opportunity to air his grievance.

[*English*]

I am obligated to ask the House if there is unanimous consent for the proposal of the motion put forward by the hon. member for Burnaby—Kingsway.

Is there unanimous consent?

For the third time, is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: There is no unanimous consent. Orders of the Day.

GOVERNMENT ORDERS

[*Translation*]

PETRO-CANADA PUBLIC PARTICIPATION ACT

MOTION FOR TIME ALLOCATION AT SECOND-READING STAGE

The House resumed consideration of the motion of Mr. McDermid (p.).

The Acting Speaker (Mr. DeBlois): Resuming debate on the motion for time allocation. The hon. member for Laurentides.

Mr. Jacques Vien (Laurentides): Mr. Speaker, I would like to take this opportunity to congratulate you before the House on your recent appointment to the elevated position of Assistant Deputy Chairman of Committees of the Whole of the House of Commons.

Mr. Speaker, in 1975 it took four days to adopt the second-reading stage of the bill to establish Petro-Canada.

[*English*]

Mr. Speaker, it gives me great pleasure to rise in my place to support this legislation authorizing the sale of shares of Petro-Canada to the general public. Today, I would like to discuss how this proposed transaction fits into the broader approach to privatization which has been followed by the government since 1984.

In the past six years the government has issued an economic policy based on less government involvement in the private sector and more disciplined use of taxpayers' resources. Privatization is a key component of that policy.

At last count, the Canadian government owned 53 Crown corporations, 113 subsidiary Crown corporations, and had partial holdings in a number of other firms. This is after having successfully privatized 13 Crown corporations and Crown holdings, and five mixed-ownership corporations. Some of these include Canadair, an aircraft manufacturer; Teleglobe Canada, our overseas telecommunication carrier; and, of course, Air Canada, Canada's largest airline which was sold through two public shares offerings to over 100,000 shareholders.

[*Translation*]

Mr. Speaker, it took four days to adopt the bill to establish Petro-Canada in 1975, and this was under the Liberal government.

[*English*]

The success of Canada's approach to privatization is due largely to the fact that it reflects our country's unique demographic, economic, political, and historical circumstances.

Consider for a moment the disparity between our geography and our population. Canada is the largest country in the western hemisphere. Its total area is almost 3.8 million square miles, compared to the U.S. with 3.6 million square miles. We have a population of only 26 million, one-tenth of that of the U.S.A.

Mr. Volpe: Point of order, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. DeBlois): One moment, please. The hon. member for Eglinton—Lawrence, on a point of order.

[*English*]

Mr. Volpe: Mr. Speaker, earlier in the debate you raised a question of leeway that you would allow in debate with respect to time allocation and the kinds of principles we might introduce when talking about the points with respect to this motion.

When we were debating, I think you said that while you were willing to allow some sort of leeway, we were discussing time allocation. I wonder if you would feel it opportune at this moment perhaps to remind the member that the eloquence of his speech is probably more appropriate for discussion on Bill C-84, and not on time allocation where some members want to have—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I appreciate the comments of the hon. member for Eglinton—Lawrence who seems to have listened carefully to the proceedings this morning. That being said, I showed some tolerance this morning towards members on both sides of the House. I would ask the hon. member for Laurentides to continue his speech and try to address the subject of time allocation, although we do allow some latitude on the substance of the debate.

Mr. Vien: Mr. Speaker, as far as time allocation is concerned, I believe that in 1975, the Liberals, who took four days to pass the bill, made good use of the time allowed.

[*English*]

The disparity between our geography and our population and that of the U.S. has encouraged a reliance on government ownership as a way of supplying vital national services such as rail and air transport. Some of the customers of these services express concern that a change in ownership will mean a reduction in service or safety, or increased prices. Therefore, in developing its privatization plans, the government gives special consideration to the concerns of the customers. Where necessary, regulations are introduced to ensure that health and safety standards are maintained.

• (1520)

Another factor explaining Canada's approach to privatization is the role of foreign ownership in our economy. Canada's economic development gave rise to an industrial base dominated by branch plants. Most of Canada's manufacturing and petroleum products sectors are still dominated by subsidiaries of companies headquartered outside Canada.

As a result, Canadians have welcomed the financial benefits of foreign investment while remaining a bit nervous about the consequences of foreign influence on our economy. Because of this, the government's privatization program looks at the foreign ownership question on a case-by-case basis to determine whether non-resident restrictions are required.

All of these uniquely—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member for Laurentides. His speech is most interesting but once again, relevance requires us to consider the following question: why should Parliament limit debate on Bill C-84? Although I am quite tolerant, I find it difficult to let the hon. member proceed without dealing specifically with this question. I would appreciate his co-operation.

Mr. Vien: Mr. Speaker, as I said before, in 1975 the Liberals who are now in the opposition certainly made good use of the time allowed for the debate on the bill to establish Petro-Canada.

[*English*]

All these uniquely Canadian circumstances that I mentioned before—a small population and a large mass, the predominance of branch plants, our Constitution with its complex division of powers between the provincial and federal governments, and the nature of our domestic capital markets—had to be taken into account when the government first got itself into the business of owning commercial interests. They are now taken into account as we get out.

The minister has assured us that the government's privatization program is based on a pragmatic, common sense, case-by-case approach. The time is taken to examine very carefully the circumstances associated with each company in order to determine the best method of timing of sale.

As the minister stated earlier, Crown ownership is no longer necessary to achieve the principal public policy objective in the energy sector—to establish the conditions in which economic development of our energy reserves can occur.

What is necessary for Petro-Canada to participate aggressively in is the development of our oil and gas reserves and access to a new and reliable source of equity.

Once again, we are left with a choice in the House of finding that money by taxing Canadians, by borrowing even more money on their behalf, or by inviting Canadians to take a direct stake in the company, to share the challenge which lies ahead.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but his time has now expired. I must recognize a new speaker. The hon. member for Etobicoke North.

[*English*]

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, I find it surprising, having listened to the member in his brief intervention, that he is evidently advocating time closure. The arguments he had adduced for supporting time allocation, I had thought, would have led him to quite the opposite conclusion. He also set forth a very good case, indeed, why Petro-Canada should remain a Crown corporation.

Of course, the reasons for Petro-Canada being a Crown corporation—and this is why I rise to speak against time allocation—are fundamental to the Canadian economy. Canadians have seen the role of Petro-Canada in the past decade as a vital aspect of government policy and the ability of the government, on behalf of the people of Canada, to intervene and to have a window on the energy industry that otherwise simply would not exist. Otherwise, the industry would indeed be in the hands of foreign corporations only.

In Canada, we have seen over the years the importance of Crown corporations in our economic development. We have seen the blending of private enterprise and public corporations in a way which has been uniquely Canadian and which has brought major benefits to Canada. It is for that reason that I rise to speak, however briefly given the limited time now available, against this motion of time allocation.

The privatization of Petro-Canada is far too important a subject to be encompassed in the few hours of debate that the government foresees for this very important issue. As I said, Canadians have benefited from the mixed economy that we have known since the days of Confederation. There is no need, today, to turn our backs on those benefits. We have seen those benefits in various industries and we have seen them no less in the petroleum industry.

What was the logic behind Canada's creation of Petro-Canada? As the speaker before me noted, Canada has a vast territory, a small population, immense natural resources, but the only Canadian-controlled element available to ensure a Canadian presence in the vital petroleum industry was, of course, the national government. The government acted more than 15 years ago to create a national petroleum company and, if we look at the record over that period, we shall see the wisdom of it so doing.

The international price of oil is not set by free market conditions as all of us in the House recognize. OPEC is a near monopoly in setting oil prices. Therefore, the argument that Petro-Canada is somehow unnecessary because free market forces can determine international oil prices is patently untrue.

What the existence of Petro-Canada does give Canada is the opportunity to participate in international pricing and to sense the nature of oil pricing with regard to OPEC's dominant position. PetroCan is a window on the industry which permits Canada to pursue its interest in a way that simply would be impossible if our industry were in the hands of foreign corporations or even of Canadian private investors.

The inability of the market to foresee the nature of long-term supplies is another serious issue that has caused problems for Canada. Again, the presence of Petro-Canada in the international oil markets helps to ensure that Canadians have the opportunity to overcome the problems that arise from uncertain supplies.

• (1530)

What was Petro-Canada's mandate? It was to help ensure energy supplies for Canadians, to assist the government in the formulation and execution of a national energy policy, and to increase Canada's presence in the petroleum industry. The record is clear, to that end, Canada's PetroCan has been active in frontier exploration, in foreign petroleum reserves and in the mediation of state-to-state trading.

I would suggest that the necessity of Canada having such a corporation is even more evident today given the continuing uncertainties of the international petroleum scene and, indeed, following the U.S.-Canada Free Trade Agreement.

Mr. Speaker, I see you are indicating that my time has expired. I want to stress once more that we on this side of the House will vote against time allocation on this important issue.

The Acting Speaker (Mr. DeBlois): It now being 3.31 p.m., the two hours provided for the consideration of

the motion now before the House under the provisions of Standing Order 78(3) have expired.

Accordingly, under the terms of the Standing Orders, it is my duty to interrupt the proceedings to put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 306)

YEAS

Members

Anderson
Atkinson
Bertrand
Bjornson
Bosley
Bourgault
Browes
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cole
Corbeil
Côté
Danis
de Cotret
Desjardins
Domm
Duplessis
Epp
Feltham
Fontaine
Gibeau
Greene
Halliday
Hawkes
Hogue
Horner
Hughes
James
Joncas
Kempling
Larrivée
Littlechild
Andre
Beatty
Bird
Blackburn (Jonquière)
Bouchard (Roberval)
Brightwell
Cadieux
Chadwick
Clark (Yellowhead)
Clifford
Cooper
Corbett
Couture
Darling
Della Noce
Dobbie
Dorin
Edwards
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Johnson
Jourdenais
Landry
Lewis
Lopez
MacDonald (Rosedale)
Malone
Mayer
McCreath
McDougall (St. Paul's)
Monteith
Nicholson
Paproski
Porter
Redway
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Soetens
Tardif
Thacker
Thorkelson
Valcourt
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
MacKay
Martin (Lincoln)
Mazankowski
McDermid
McKnight
Moore
O'Kurley
Plourde
Pronovost
Ricard
Saint-Julien
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Tétreault
Thompson
Turner (Halton—Peel)
Van de Walle
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—113

NAYS

Members

Anawak
Arseneault
Axworthy (Winnipeg South Centre)
Bélair
Black
Boudria
Butland
Callbeck
Crawford
Dingwall
Duhamel
Fisher
Fulton
Gaffney
Gauthier
Grey (Beaver River)
Heap
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lapierre
Lee
MacLellan
Manley
Marleau
McGuire
Milliken
Nunziata
Pagtakhan
Peterson
Prud'homme
Rocheleau
Speller
Stupich
Tobin
Walker
Whittaker
Young (Beaches—Woodbine)—77
Angus
Assad
Baker
Benjamin
Blackburn (Brant)
Brewin
Caccia
Clancy
de Jong
Dionne
Ferguson
Foster
Funk
Gardiner
Gray (Windsor West)
Harvey (Edmonton East)
Hopkins
Jordan
Keyes
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacLaren
MacWilliam
Marchi
McCurdy
Mifflin
Mitchell
Nystrom
Parent
Phinney
Riis
Skelly (Comox—Alberni)
Stewart
Taylor
Volpe
Wappel
Wood

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Before proceeding to Routine Proceedings, I have two messages for the House.

• (1600)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate concurs in the amendments made by the House of Commons to its amendments 4(c) and (d) and 8 to Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act; and that the Senate does not insist on its amendments 2(a), (b) and (c), 3(a) and (b), 5(a), 6, 7 and 9, to which the Commons have disagreed.

* * *

[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

October 23, 1990

Sir,

I have the honour to inform you that the Honourable Beverley M. McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 23rd day of October, 1990, at 5.30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Judith A. LaRocque,
Secretary to the Governor General

* * *

PETRO-CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill C-84, an act respecting the privatization of the national petroleum company of Canada, be read the second time and referred to a legislative committee; and the amendment of Mr. Lee, (p. 14001), and the amendment to the amendment of Mr. Harvey (Edmonton East), (p. 14010).

Mr. Ken James (Parliamentary Secretary to Minister of Labour and Minister of State (Transport)): Mr. Speaker, it gives me a great deal of pleasure today to speak in support of the proposed legislation which will authorize the Government of Canada to sell shares of Petro-Canada to the Canadian public.

Globally, governments everywhere from China to France, from Hungary to Israel and Britain, are involved in major privatization initiatives on an ever-increasing broad scale. In Canada, provincial governments such as Quebec, British Columbia, Alberta, and Saskatchewan, have also made major sales of Crown owned corporations to the private sector and to ordinary Canadians.

The question often asked is: why privatize at all? Reasons for privatization differ from country to country and from province to province but, in Canada, the federal government's commitment to privatization is rooted in the Canadian tradition of creatively and successfully mixing pubic initiative with private enterprise. Both have their place, the issue is striking the proper balance between the two.

In earlier periods in our history, it has been made necessary for Canada to put an emphasis on large government doing many things. Today, though, the private sector is recognized as being more appropriately the principal stimulant of economic growth and renewal in Canada.

In Canada's early years, state intervention was important, in fact, essential in building the great canals that opened our country to commerce, in assisting in transcontinental transportation, through the building of the CNR and even developing our national broadcasting system. National medicare and income-support programs also resulted from government interest and intervention, for the common good.

Today, Canada has a developed and maturing social and economic infrastructure, the emphasis on state ownership and big government growth that continued into the 1980s has to be curtailed or two situations will worsen. Government deficits, used to pay for increasing state intervention, will continue to rise uncontrollably, and the private sector, the engine of growth in the economy, will be constrained by unnecessary and unfair competition and pressures from the public sector.

Can government do everything, and should governments do everything? The answer is unequivocally no,

and that leads to the underlying assumptions behind our government's privatization program.

There are basic reasons why your federal government pursues these privatization initiatives. First, the changing economic environment for many Crown corporations. The original objectives behind the creation are no longer valid. Second, there is abundant evidence to suggest that many Crown corporations are not as effective in serving their clients as the private sector. Privatization, by putting corporations under the test of the marketplace, can certainly improve efficiency. Third, public funds. Public ownership of Crown corporations can place enormous demands on government resources to manage and financially support various enterprises.

Public institutions use taxpayers' money to operate. The recognition that a Crown corporation is responsible for public funds often leads to slow, deliberate decision-making and occasional aversion on the part of management to risk taking. What about fairness and equality? Petro-Canada and other corporations compete directly with the private sector. The Canadian government's approach to privatization is based on specific objectives designed to confirm the appropriateness of public institutions while encouraging a vibrant and vital private sector. Should governments do everything? Again, a resounding no. Canadians saw the enormous price that had to be paid when governments of all sorts got involved in every manner of human endeavour in Canada.

Our government believes in the individual. We believe in the private sector. We believe in creating wealth through entrepreneurial initiative and competition. We believe in creating opportunities for small business persons, for workers, for women, for the disabled, for the corporations and for everyone. That is why we see so many countries turning to privatization regardless of the prevailing political philosophy, privatization is results-oriented and deals with the real need of a nation.

Because of our sparse population in Canada and peculiar and expensive geography, there are times when the private sector could not properly meet an important public objective. Crown intervention was one way to accelerate or enhance the growth of our young nation. Many of our Crown corporation earn the loyalty of Candians as they served as pioneers in resource development , manufacturing and the transportation sectors.

Something happened sometime in the sixties when suddenly the accepted norm of Canadian mixed public policy, the creative mixing of public initiative with private enterprise, became unbalanced. Everything seemed to go one way, to public intervention in Canada. Suddenly the prevailing thought was that government should and could do everything. Governments went in search of needs to fill, of hurts to mend, of inequities to overcome.

Government became big business in Canada or perhaps more realistically, just plain big. Because the business part and the rationale for Crown corporations in the first place got lost, many Crowns began operating like government departments themselves, pursuing an array of public objectives but virtually obliterating many of the business components of their mandates: products, client service, profit and return on investment.

Here is what the Auditor General of Canada said in 1982. He talked about "a problem of accountability, massive in its dimensions" and "In the aggregate, Crown corporations represent a hole in the taxpayers' pocket, resulting, as they do so often, in a consistent negative return on investment."

The reasons for my support are simple and clear. State ownership of Petro-Canada is not necessary for the company to achieve public policy objectives.

• (1610)

The company needs capital to develop our oil and gas reserves, and a public share issue is a better way to raise capital than a higher deficit or raising taxes.

Let me discuss the public policy role of Petro-Canada. At the time Petro-Canada was created in the seventies, we were told by the previous government that a state-owned oil company was needed to achieve three basic objectives on behalf of the Canadian people.

First and foremost, the company was to work to increase the petroleum supplies available in Canada by exploring new sources of oil and gas, especially in the frontier.

Second, the company was charged with being a window in the industry to help the government formulate a national energy policy.

Third, the company was to be Canada's agent in state-to-state negotiations.

In the 1990s, it is clear that government ownership of Petro-Canada is no longer required to achieve such public policy objectives. Canada has a much clearer perspective on the extent of our frontier reserves and their potential development.

Additionally, we have the agencies and instruments in place. We have the Canadian Oil and Gas Lands Administration and the National Energy Board. Therefore, we have the public agencies in place to do the things that Petro-Canada was to do.

In short, the reasons for state ownership of Petro-Canada are no longer valid. We will leave the debate about whether they ever were to historians.

Today, Canadian energy policy embraces the reality that Canada's economy is part of the world market. Efforts of previous governments to insulate us from that reality simply did not work. Today, we recognize that energy markets must be allowed to respond to changes in supply and demand conditions.

This approach works for Canadians because it leaves a foundation for both expansion of our resources sector and competitive pricing for consumers. When the government has intervened, it has been to act to facilitate the development of large energy projects where the costs and risks are significant impediments to private investors.

Petro-Canada has a role to play in the development of Canada's energy reserves, not as an instrument of government policy, of course, but as an active and competitive private sector company. As a chairman and chief executive officer of Petro-Canada has stated publicly, unless the company gains additional funds to shore up its capital base, the company cannot get on with the job of developing our energy reserves without raising its debt to dangerous levels.

Let us talk a bit about Petro-Canada. Based on Petro-Canada's 1989 annual report, the company has proven reserves of 3.3 trillion cubic feet of natural gas and 527.3 million barrels of crude oil. Petro-Canada's share of Canada's proven reserves is 4.3 per cent of natural gas and 6.7 per cent of crude oil. Petro-Canada estimates that it can spend in the order of $2.5 billion over the next five years for its exploration and development expenditures. Certainly, it is going to need money to do that.

Without new equity then, Petro-Canada will not be able to contribute to the important development of exploration in this country in the way that we all think it should, and we want them to.

First, I suppose what we could do is just ignore the problem and hope that it will go away. This would leave Petro-Canada with the decision to either risk financial instability, sell assets and change the profile of the company or cut back on this important exploration and development that we would all like to see them do.

Second, the government could find the money to secure Petro-Canada's financial future. That would mean either increasing the federal deficit even further or by raising taxes or cutting out some other government programs to free up the funds.

Third, we can invite Canadians to take a direct stake in a company through a public share offering, as was suggested with this bill. By offering Petro-Canada shares to the public, the government is giving individual Canadians the opportunity to take a direct stake in this great Canadian oil company and share in its important future.

Even more important, Petro-Canada will give a new source of equity that it simply cannot obtain as a wholly-owned Crown corporation.

The company's current financial position underscores the need to access more funds and equity, as we mentioned. Petro-Canada's 1989 performance reflects an emphasis on improving efficiency in order to position the company to benefit from the potential opportunities available in the Canadian oil and gas industry.

With respect to the first half results for 1990, the chairman has indicated that their efforts must be redoubled in order to improve the company's performance. These are important facts and statements from the people who run the company, the Crown corporation, as it is now.

As the Minister of State for Privatization has stated, both the company and the taxpayer can be better served by allowing Petro-Canada to raise new equity directly from investors rather than relying on the Canadian taxpayer through the federal government. When one examines the alternatives before us, I believe Canadians will agree that the intelligent decision is the one of privatization.

Petro-Canada operates in a competitive and dynamic industry. In order to remain competitive, that company must have access to a reliable source of new equity. It is no longer acceptable to expect that the equity comes from the taxpayers' pockets. The taxpayer does not want to pay any more taxes. Privatization will give Petro-Canada direct access to an alternate source.

Privatization will help strengthen the company by providing funds so that it can get on with the job. It will give Petro-Canada the financial flexibility now enjoyed by its competitors and give the company access to that new equity without hurting the taxpayer.

There is a cost to keeping Petro-Canada as a state-owned company. The first casualty of this decision would be Petro-Canada itself. But the costs would also be felt by the ordinary Canadian through higher taxes, a higher debt, and fewer possible public services. This would be wrong. It would be the wrong decision for Petro-Canada and the wrong decision for the people of Canada.

These are some of the reasons why I support this important legislation. Continued state ownership of Petro-Canada would impair this great company's ability to compete. It would impair its ability to explore, and impair its ability to bring on stream gas and oil that will be needed for our domestic use.

While Petro-Canada may have been conceived as a product of ideology, the decision to privatize it is clearly a product of common sense. It is not only common sense here, but it is common sense around the world. As *The Economist* magazine has noted, at least 35 countries in the world have moved to privatization. It is not a move of ideology; it is one of common sense.

Liberal governments, conservative governments, socialist governments throughout the world have moved in great numbers to privatization of these Crown-owned companies. It is stated in *The Economist* magazine dated December 21, 1985:

> Herbert Morrison, the father of nationalization, assumed the public sector would work hard for the public good—and that competition was a waste of resources. Consumers around the world know he was wrong. When privatization fosters competition, and with it the concept of risk and reward, it appeals to the basic greed for individual betterment. As such, it has become deservedly popular—and may deservedly succeed.

I am pleased to be able to speak in support of this bill. I am pleased and proud that our government is moving this very important and great Canadian company into the hands of the Canadians who can invest in this company so that it will bring greater benefits to all Canadians in this very important sector.

• (1620)

The Acting Speaker (Mr. DeBlois): On questions and comments, the hon. member for Edmonton East.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I should like to investigate a little further the hon. member's concept of common sense, which he touted during at least the closing parts of his remarks.

I noted that the member said that Petro-Canada had to be privatized in order to enable it to—and I believe I am quoting correctly—"raise new equity, rather than relying on the taxpayer." He said, as well, and I believe I am quoting here too: "it's no longer acceptable to say new equity will come from the taxpayers' pockets".

As near as any of us are able to tell—the government has not been terribly forthcoming in this regard—in attempting to read the runes, watch the smoke signals, and check out the entrails of the owls, and all this sort of stuff, we seem to be left with the situation in which, to begin with at least, we are looking at a 15 per cent treasury issue for equity in Petro-Canada.

By the way, the proceeds from this 15 per cent will be ploughed back into the company. That is where the new equity is coming from and various estimates have placed the value of that initial 15 per cent issue at between $500 million and $700 million. That is money that will be taken from the sale of shares in the company, shares now owned by the taxpayers, the receipts for which—that $500 million to $700 million—will be ploughed back into the company.

My first question to the hon. member is this: How does that constitute not relying on the taxpayer? How does that constitute a situation in which it is no longer acceptable to say new equity will come from the taxpayers' pockets, when that is exactly where it is coming from?

Beyond that, having raided the taxpayers' pockets for that initial 15 per cent issue, I quote from the remarks of the Minister of State for Privatization and Regulatory

Affairs made in the House on October 10, at page 13995 of *Hansard*:

> This initial public offering will create a broad market for the company's shares—The net proceeds of future sales of the government shares will be paid into the Consolidated Revenue Fund.

If we are going to take the rest of the shares owned by the taxpayers, sell them, and return that money to the Consolidated Revenue Fund, where is this huge new pool of equity that we say Petro-Canada will then be able to exploit? If we are not going to take at least $3.5 billion out of the equity markets before we pay out the Consolidated Revenue Fund, then we will be engaging in a raid on that fund of historic proportions.

But assuming we get all that back, and assuming we have soaked the equity markets for between $4 billion and $5 billion in this Petro-Canada issue, where in the name of sweet reason does the member believe even further equity for the corporation is going to come from?

Mr. James: Mr. Speaker, as the hon. member mentioned, certainly the treasury issue is going immediately to PetroCan so it can use those dollars for investment.

He did not say the secondary issues would go to the Consolidated Revenue Fund which will certainly lower the government's need to borrow in the future. Additionally, we are going to the private sector for investment along the way. There will be an infusion as people buy in, of course, and those moneys will be used.

I do not know what else he would want to take from that. The main thrust is to provide equity, other than the areas that we are mentioning where we would have to have taxpayers' money go directly. It needs an infusion of cash. It needs an infusion of equity. It needs that money to go out and explore. That has been stated. The kind of figures that were mentioned is in the billions of dollars. That will be done by privatization that is going to take place. He knows that, and Canadians know that. Canadians are very happy that they are going to have the opportunity to invest in this company.

What is important with all the other companies that are around in Canada is that now they will know that will have an integrated oil and gas company that is going to be competing as a private enterprise, rather than one that is supported, if need be, by the Government of Canada. That is pretty important and it will probably make them cut their costs and be more competitive.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased to enter this debate today, not because I support the privatization of Petro-Canada. On the contrary, I strongly oppose this legislation and will vote against it at all stages. Rather, I am pleased to enter this debate because I think it is time that the Canadian people, and more importantly, the government opposite, take the time to discuss the public policy role being served by Crown corporations in our country and that we take the time to understand the true values of the collective needs of the country.

Just when the potential for gouging Canadian oil and gas consumers by foreign owned and controlled oil companies is at its highest point in more than a decade, the government opposite is moving to privatize our national oil company. If ever there was a time in a way for the government to be involved in the oil industry, it is now. That can best be achieved through the Crown corporation we already own.

New Democrats have frequently and incorrectly been labelled as the party that wanted to own everything, but that is far from the truth. In fact, as has been shown by our highly successful provincial governments, New Democrats believe strongly in the mixed marketplace, a marketplace run by the private sector, the co-operative sector, and the public sector working together.

The New Democratic Party was created from a foundation established by the Co-operative Commonwealth Federation, the CCF, in Saskatchewan. In 1944 the CCF under its then leader, and a great Canadian, Tommy Douglas, formed the government and, of course, at that time worried all of Canada about what it might do. Those worries proved fruitless.

Tommy Douglas was always a man ahead of his time. When the CCF formed the government in 1944, he clearly outlined his plans and I quote from his memoirs:

> When we talked about a co-operative commonwealth, we had in mind a mixed economy combining public ownership, co-operative ownership, and private ownership. In our opinion, those industries that

were vital to the life of the community, and were monopolistic in character, ought to be publicly owned.

The Tories said Tommy was removing freedoms when he set up a Crown corporation in Saskatchewan, but Tommy said the only freedom that he was taking away was the freedom to exploit somebody else. Since then Saskatchewan has run successful telephone and power companies, extended transportation services across the province, and reduced taxes in that province by generating revenues from resources.

The present Leader of the New Democratic Party in Saskatchewan, Mr. Roy Romanow, has a good story that he tells about Tommy. Flying over Saskatchewan one night, Roy Romanow and Tommy Douglas were talking. Roy said to Tommy: "What is your greatest achievement?" Roy thought that Tommy Douglas was going to answer hospitalization. But instead, Tommy looked out the window of that airplane into the night sky over the Prairies and he said: "Look down there, Roy. Do you see those lights across every piece of rural Saskatchewan? That is the greatest achievement that I think that I brought to Saskatchewan." Rural electrification—Saskatchewan Power Corp. working in the province of Saskatchewan, a Crown corporation serving the interests of the Canadian people.

A big part of this debate today centres around the value of the public sector and, in particular, the value of the public corporation in the energy sector. The essence of the debate should concentrate on what is in the best long-term interest of Canadians rather than what seems to be the short-term interests of the members of the government opposite.

Public sector activity is an exercise in the management of government. It is using the tools available to achieve positive and necessary objectives. When a government determines that something is in the country's best interest, it has to act to ensure that best interest is served.

For years in this country, public corporations have been created with this in mind. We in Canada have never had a strong ideological bent in favour of public ownership. Rather, Crown corporations were created one by one to address real policy needs when it was felt that the private sector could not, or would not, do the job. For the most part, these Crown corporations have served Canadians well. But, this government would have us believe that Crown corporations are despicable, horned monsters destroying our economy and increasing the national debt. In actual fact, the Crown corporations often represent an income source or a national goal which would be lost without these corporations in place.

• (1630)

This government does not believe that governments should be in business. It believes that business can manage the economy better than government. What examples does it use to justify those statements? Since Crown corporations represent the government's ability to manage, if a Crown corporation fails, it is attributable to the management abilities of the government, just as when a business fails it is because of the management abilities of that business.

There are many success stories in the Crown corporation sector, and Petro-Canada could be one of them. Certainly, if a government thinks it can be successful as a private enterprise, then why, with the right management and the right direction, can it not be successful as a Crown corporation? Certainly, the people of Canada benefit to a larger extent if it is a successful Crown corporation rather than if it is a successful private corporation.

The other side of the coin is the success of the private sector. What's with the myth of the private sector being the perfect manager? There are hundreds of business failures in Canada and the United States every year. If Petro-Canada, a company that should be run for Canadian interest, is privatized, there is no guarantee that it will not end up like CN Route, the Campeau Corporation, Dun and Bradstreet or Peter Pocklington's operation.

I just happened to pick up a copy of the May 1990 issue of *Report on Business* magazine, published by *The Financial Post*. In there it talks about a number of businesses serving the great Canadian private sector and public interests. The Campeau Corporation, outlined in that magazine, in August 1987: "Stock prices reached an all-time high of $30.38 on the Toronto Stock Exchange. By September 1989 the stock fell to $13.50 and then by March 1990 the stock traded for less than $2.00 a share". Investors lost millions in this marvellous example of the marketplace at work.

In that same issue of *The Globe and Mail* "Report on Business" section, there is an article about Dun and Bradstreet, 150 years of trustworthiness that were gutted by bilking and sleazy tactics of their sales force, customers being taken for thousands of dollars by sales people who were motivated by management and commission

structures. The marketplace scores again and the public loses.

We have heard about CN Route, a situation where the Tories privatized the company, sold it to a man who had been denied a credit card and then watched as 1,900 employees lost their jobs in a bankruptcy that occurred only 20 months after the privatization.

Malcolm Brickland, the great Atlantic car maker, bilked taxpayers of huge sums of money. Peter Pocklington in Saskatchewan. The taxpayers of Saskatchewan gave Peter Pocklington the money to build a bacon processing plant in my home town of North Battleford. The province of Alberta took over the assets of Peter Pocklington and now the taxpayers of Alberta own the company for which the Saskatchewan taxpayers paid. The great private sector at work.

What about the recent examples of Alberta Telephone and Air Canada? These privatizations have cost investments and jobs. Another popular myth with the privatizers is that there is a greater "public participation in share offering than there is in taxpayer ownership". Aside from the fact that Crown corporations, by their very nature, are owned by everyone and hold a great deal of taxpayers' equity, the best thing that can be said about Crown corporations is that they are accountable to their governments, and therefore accountable to the taxpayers.

Certainly the Howard Pawley government in Manitoba learned that lesson after car insurance rates increased beyond what the consumer was willing to pay. I would like to see a private car insurance scheme that was accountable to its shareholders and consumers.

A Crown corporation is the only way that a widespread shareholding can be effectively democratic. If we, as Canadians, ever want to have an influence through our government on the energy sector and its subsequent influence on the environment, then we have to maintain Petro-Canada.

To maintain Petro-Canada is also to give it a renewed mandate for exploration and development, and one that also includes other energy sources that will one day replace our nation's in the world's dependence on fossil fuels. The national interest has been forgotten in the name of the almighty marketplace which this government praises, while farmers and small business people go begging. The so-called middle class in this country is forced to pay the ever increasing bills.

Privatization is very mixed up in the marketplace agenda that the free trade deal and the goods and services tax have begun. Mr. Speaker, if you believe that the mythical marketplace will stabilize and develop our economy, then you have to believe the Crown corporations should not be interfering with it. So what, then, if we lose the Potash Corporation of Saskatchewan and Air Canada? So what if we see plans being prepared to get rid of Petro-Canada, Sask Energy, Canada Post Corporation and even the CBC?

There are more, of course. Canada and the provinces have always used Crown corporations for various positive purposes, but we cannot let our dislike for the present Prime Minister, or even for the premier of Saskatchewan or any other Conservative politician and our frustrations with their actions convince us that privatization is the answer to an improved economy. Rather, privatization just removes by one step our ability to control and manage our economy in our own interests.

New Democrats like public enterprise because, among other things, it acts as a vehicle for decentralizing entrepreneurship and investment decisions. It decentralizes economic power and acts as a buffer against the growing concentration of ownership and control in private corporate firms.

There is a role for public corporations in Canada, in the provinces and even at the local municipal level.

In fact, public enterprise has a vital and successful history. We have in Canada some of the world's best electrical utilities, the best telephone companies, the best broadcasting networks, the most efficient automobile insurance companies, a leading airline that once paved the way for health and safety matters, and a grain marketing agency that has liberated farmers from speculative markets and held their own in difficult times.

Mr. Speaker, you may not think of the Canadian Wheat Board as a Crown corporation, as a public enterprise, but it is. The Canadian Wheat Board belongs to all of us and acts for all of us in the selling of grain in the international marketplace. It has been highly succes-

sful and must be continually supported to keep it operating. The Canadian Wheat Board is in trouble. The United States wants it gone. Its top officers have just been replaced and the present government believes in privatizing everything and is examining the future of the Canadian Wheat Board.

If any of the public questions the future of the Board, take a moment to review the market for oats in the past year since the present government removed the Wheat Board's authority over oats. The price has tumbled. The marketplace has caved in. The Wheat Board obviously is a very important factor in the future of grain prices for Canadian farmers.

Crown corporations have been created to do what private corporations could not or would not do. The Potash Corporation in Saskatchewan was created when the international potash corporations were reaping windfall profits and refused to share Saskatchewan's resource wealth with the people of Saskatchewan.

Ontario Hydro, one of the largest Crown corporations in the world was created originally to protect the electricity consumers in that province and went on to become a pioneer in large dam construction and in high power long distance transmission.

Petro-Canada was created when the world's energy stocks were in crisis and Canadians demanded to be a player at the table. The world's resources continue to be in crisis. Fossil fuels present a challenge to environmental scientists and the future of the world. Canada is preparing to abandon its public role in the sector and in the industry. The government does not need to own a gas station on every corner in this country, but we do need a presence in the energy industry, and Petro-Canada serves that purpose. We must maintain Petro-Canada as a Crown corporation. It can be well managed and it can operate without affecting the federal budget and the taxpayer's pocket-book.

• (1640)

There are a lot of problems associated with language used by governments when we talk about privatization. In fact, the word itself "privatization" means removing public influence and control and turning the enterprise completely over to the private sector. As much as the government wants that to happen, it instead tells us that privatization is public participation and that there will be greater public involvement in an enterprise that is privatized because of the ownership of shares. The theory is that you own the shares, you influence the company. The reality is you own the shares, you have less control of the company.

When a Crown corporation operates, it does so in the interests of its constituency, national or provincial. When a private company operates, it does so in its own interests and the interests of its immediate shareholders. The shareholders are almost always the more wealthy in our society. A few shares held here and there by ordinary Canadians in the system mean virtually and return virtually nothing. When we give up a successful Crown corporation, we give up a community-centred entrepreneurship that ties every taxpayer together.

There is the theory that the Crown corporations are costing taxpayers money and must be sold if we want to reduce the debt. Look at examples. Saskatchewan is full of them. I tend to think of this game of privatization as an exercise, as a game of Monopoly, the great illustration of private capital at work. The object of the game of Monopoly is to build a base from which revenues will flow and grow. No one ever won the game of Monopoly by selling their properties. When you started to sell your properties and your hotels, the other players in the game knew you were done for. That is what happened in Saskatchewan. Revenue generators were sold and the ones that cost money were maintained. Saskatchewan by selling its Crown corporations was selling Boardwalk on the Monopoly board. It cashed in its chips and let others play the game to win.

The federal government must not be allowed to make the same mistakes. At the same time as Saskatchewan sells off its assets, the provincial deficit continues to grow. The provincial debt in Saskatchewan is now $4 billion and we have seen privatization hit Sask Oil, the Potash Corporation, the Prince Albert Pulp Company, Sask Minerals and parts of Sask Tel, to name a few. Threats are being made against Sask Energy and Saskatchewan government insurance. We are selling off the province. We are not paying the debts.

Obviously privatization is not the answer and therefore Crown corporations were not the problem. On Petro-Canada as with a number of other federal Crown corporations, the government must be prepared to admit its mistake. Petro-Canada like Air Canada and the post office ought to be public service corporations carrying out some sort of defined social, political or economic goal that our society requires that is not being looked after and will not be looked after by private enterprise.

Petro-Canada, like Air Canada, the post office and others must be open, responsible and responsive. Like governments they must be accountable. A Crown corporation represents a taxpayer's investment in his or her own future. That future could be a job, an income, a quality of life or a safe and secure environment.

Petro-Canada has an important role to play in this country's future. We cannot afford to give up our investment just to satisfy the ideological dreams of the Conservative Party and their big business friends.

Mr. Ken James (Parliamentary Secretary to Minister of Labour and Minister of State (Transport)): Mr. Speaker, I listened intently to the hon. member for The Battlefords—Meadow Lake being fairly demeaning to private enterprise and what it does in the marketplace.

I thought it might be interesting to him if I read from *The Economist* magazine which says:

> Mr. John Moore, the Treasury minister",—

This was in the U.K.

> —in charge of privatization, argues that past experience has surely taught us that, from the customer's point of view, the state is just as likely to abuse a monopoly position as a private owner.

The article goes on to say:

> He ought to know, The British Treasury has almost routinely forced the gas, electricity and water industries to charge their consumers more than the industries' chairmen thought either necessary or justified.

Listen, that is not private enterprise. They are examples of where public ownership is doing consumers in. Let us not be so demeaning to private enterprise. There is real reason to know and we can look around in Canada.

I have a question for the hon. member as to who said the following: "There are some sectors and some situations where the government buyouts make sense, but there are other sectors of the economy where such direct public ownership would be profoundly counterproductive; a huge investment of public dollars for little return. If our interest in democracy is to increase participation by workers and the public generally in the life of the company and the economy, then making the government the only shareholder isn't really the answer."

I do not think the member knows who said that, so I would like to tell him. It was Mr. Bob Rae, premier of Ontario.

Mr. Taylor: Mr. Speaker, I thank the hon. member for his question. I did not know the answer to the member's question, but I was thinking as I was listening to the quote that any good New Democrat would probably say that. As a result, I am very happy to hear that it is the new premier of Ontario who is credited with such good words by the member opposite.

There is also another person whom I would like to quote briefly. It was a note that I took in reading from Walter Stewart's 1987 book, in which Mr. Stewart talks about Crown corporations. He describes the worst situation that affects a Crown corporation: first, a corporation funded in part by the taxpayer but not responsible to Parliament; second, a corporation without social or political responsibility; and, third, an entity with neither heart nor head in proper working order".

Mr. Stewart was talking about Crown corporations in general, but he could be talking about the type of management that a private sector government would apply to either a post office or an airline company or, in this case, an energy company.

Petro-Canada, Air Canada and the post office, such corporations serving the interests of Canadian people must be accountable at all times. Only through Parliament can they be accountable to the people of this country.

A private company operating Petro-Canada can make all the mistakes in the world and the Canadian people have no recourse to correct them, but the government managing the sector through the Crown corporation must be held accountable every two, three, four and, heaven forbid, five years by the people of this country in general elections when they think about the management abilities of whatever government is serving them. I

think accountability is key to the answer to my hon. friend's question.

Mr. Al Johnson (Calgary North): Mr. Speaker, I am pleased to speak to you today concerning the legislation that will authorize the government to sell shares of Petro-Canada to the public.

I am particularly interested in assuring hon. members and reassuring Canadians that public ownership of Petro-Canada is not required for energy policy purposes. Indeed, quite the reverse is true. The privatization of Petro-Canada will directly and indirectly assist the pursuit of a number of energy policy objectives.

Petro-Canada has evolved through a number of phases since it was created in 1974. From very modest beginnings, it has become the largest Canadian owned and controlled oil company, with a major presence at every stage of the hydrocarbon production chain, including exploration, production, refining, marketing, and distribution. The corporation has arrived at its present state largely in response to government policy direction and partially in response to market opportunities.

• (1650)

In the early days of its operation, Petro-Canada's primary role was defined by the government of the day as an instrument of government policy. The corporation was directed to perform a number of functions considered desirable for energy reasons. It also was provided with the authority and funds from the public Treasury to carry out these tasks.

After the Progressive Conservative government took office in early 1985 Petro-Canada was given a commercial mandate. Since that time the government has not taken a direct role in the day-to-day operations of the company, and Petro-Canada has arranged its business operations largely to enhance the return to its shareholder.

To a significant extent Petro-Canada's current structure and financial situation are a result of its early mandate and path of development. Now Petro-Canada's future will depend largely on its ability to access the financing that it will need to take advantage of the opportunities presented for commercial growth as the large and aggressive member of the Canadian petroleum industry it has become.

It would be useful but not very uplifting to review how Petro-Canada's role has evolved over time. Petro-Canada was established by the Liberals in 1975 as their response to energy and economic forces which were prevalent in the mid-1970s. As originally established, Petro-Canada's mandate was supposed to be to work to increase petroleum supplies available to Canada by exploring for conventional oil and gas and by pushing forward the development of tar sands and heavy oil resources, to increase the Canadian presence in the industry by becoming a substantial land holder and operator and by participating in join ventures, to act as the agent of the Crown in state-to-state oil trade, and to serve as the government's window on the industry to help evaluate the domestic supply potential and provide insights on industry issues.

From 1975 to 1984 there was a rapid expansion of Petro-Canada into both upstream and downstream activities. Petro-Canada's entry into the downstream was accomplished through the purchase of Pacific Petroleums. This acquisition provided some modest balance to the high risk, long-term investments which Petro-Canada had taken on at the government's request. The entry into refining and marketing helped to provide the steady cash flow which could be used to support longer term projects.

Actions taken during this period established Petro-Canada as a major integrated producer with a significant market presence in Canada from coast to coast, but look at the costs: Petro-Canada acquired Pacific Petroleums for $1.5 billion over 1978 and 1979 and Petrofina Canada Inc. and BP Refining and Marketing Limited for approximately $2 billion between 1981 and 1983. Up to the end of 1984 the federal government had invested $4.3 billion in Petro-Canada to make it a major factor in the Canadian oil and gas industry. This $4.3 billion went to only one bottom line, the bottom line of our national debt. With interest I am sure the amount it has cost us is well over $6 billion, and some members opposite would have us continue expanding this debt.

In the late 1970s Petro-Canada also negotiated its first and only significant deal as a Crown agent involved in state-to-state oil trading. Agreement was reached with

Pemex, the Mexican national oil company, to provide Petro-Canada with up to 100,000 barrels per day of crude oil.

This deal proved problematic. That is a way of saying it was a disaster. As it was largely in excess of Canadian demand for that quality of imported crude oil, the deal was eventually modified to reduce the volume of purchases by Petro-Canada and then it was allowed to elapse, which is another way of saying that we finally wriggled out of it. In fact it became clear during this period that many of the original public policy purposes for which Petro-Canada had been established were no longer as important as had once been thought, if they ever existed at all.

When the present government came into office in 1984, it was at a time of significant change in international energy markets. The higher energy prices of the 1970s and early 1980s had provoked some structural changes in the world oil market. Conservation and substitution away from oil had reduced total oil demands sharply, and many new sources of oil production outside OPEC had come onstream. In Canada the government also committed itself to a more market oriented energy policy based on confidence in the ability of competitive market forces to produce good results in terms of prices, investment, trade, and growth. These changed and welcome circumstances required a different role for Petro-Canada.

The government was also convinced that a different approach was needed for the energy sector. It was clear that the public interest in energy supply development did not require public ownership of an oil company. Many of the investments in frontier exploration that Petro-Canada had made, largely financed by direct federal incentive grants, had not yet led to commercial production. The expansion of supply and of Canadian investor participation in the industry could be better assured through establishing a stable and favourable investment climate. It was clear too that the window on the industry role was unnecessary, as the information needed by the government for energy policy formation was readily available from other sources. Generally it became apparent that direct state intervention in the domestic oil market was often non-productive and excessively costly for taxpayers.

Accordingly, in early 1985 the government gave Petro-Canada a commercial mandate. This mandate required the company to operate on a competitive basis in accordance with good industry practice. The corporation was expected to arrange its operations and investments in such a way as to increase the value of the shareholder's equity and earnings. Petro-Canada has done so largely at arm's length from the government with policy guidance provided only in general terms through the annual review by cabinet of the corporation's corporate plan and capital budget. In short, Petro-Canada has been subject to most of the same disciplines and expectations as are imposed upon private companies operating in a commercial environment, save one: the necessity of having to face the market to raise its capital.

Members of this House will not find it difficult to agree that Petro-Canada remains the pre-eminent Canadian company in the oil industry. While this government has been in charge it has, as Petro-Canada's shareholder, looked to the company to play a strong and positive role in the industry, investing in projects that make commercial sense and stimulating activity that is of broad economic benefit across the country.

Since this new mandate was given, Petro-Canada has remained an active investor in the oil and gas industry. It has participated in the offshore Terra Nova oil discovery, acquired Gulf Canada's refining, marketing and distribution assets, and announced its intention to diversify its activities through all phases of the hydrocarbon value added chain. It has continued with its partners to negotiate terms and conditions which would permit the development of its megaproject interests on a commercial basis.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I am sorry to have to interrupt the hon. member. It being five o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

Private Members' Business

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

CRIMINAL CODE AND SUPREME COURT ACT

MEASURE TO AMEND

Mr. Bill Domm (Peterborough) moved that Bill C-210, an act to amend the Criminal Code and the Supreme Court Act (habeas corpus), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is indeed a fortunate opportunity for many of us in the House of Commons who have for many years been trying to bring about changes to our extradition act. We have seen the effort that has been put forward by special interest groups, and to name one you tend sometimes to forget others, but they brought together into this House of Commons over 105,000 personal letters to the Minister of Justice of the day, the Hon. Doug Lewis.

In addition, we had petitions totalling some 97,000 names that were entered into the House of Commons by 47 members of Parliament from one end of this country to the other, asking for a streamlining of our extradition process.

In my 20 minutes I want to take you through some of the history of why we are where we are today, where I would like to see us in the future, and what Canadians from coast to coast, both in Canada and the United States, through governors of different states, which I will mention shortly, have been asking the Canadian government to do.

I am indeed honoured as a backbench member of Parliament to bring forward what I think is one of the most popular private member's bills that I have had the opportunity to work on.

I want to make it abundantly clear that what our government allows a fugitive from another country to do is escape from justice in their country of origin, or escape from death row in that country. We have examples of both. For example, Charles Ng and Joseph Kindler escaped from the United States, found a safe haven in Canada from which to escape justice in the United States at our expense.

We not only pay for the incarceration in isolation to protect them from being killed by inmates, which costs up to $70,000 a year every year they are here, we also pay for all of the Crown prosecution in an effort to get them back to the United States. We also pay another cost, as suspected convicts in some cases, or death row inmates in others, we pay all of their costs in order to defend them under our Charter of Rights, allowing them to seek a safe haven in Canada against prosecution in the United States.

After you have had time to think about that for a while, think about Charles Ng for just a moment. I know this is repugnant to many but it is necessary to review.

In 1984 and 1985 Charles Ng is alleged to have kidnapped and murdered 11 people in California. In June 1985 he fled to Canada, crossed the border at Windsor, Ontario, and made his way to Calgary. On July 6, 1985, Ng engaged in an attempted burglary at a downtown Hudson Bay store in Calgary, shot a security guard in the hand in the process and was apprehended by police. In December of the same year he was found guilty of attempted robbery, aggravated assault and the unlawful use of a firearm. He was sentenced to four and a half years at the federal penitentiary in Prince Albert, Saskatchewan.

In February 1987, U.S. authorities requested the extradition of Charles Ng to the State of California to face the 25 charges pending against him. More than 18 months of legal wrangling then followed.

In October and November 1988, at an extradition hearing held in Edmonton, Alberta, Madam Justice Marguerite Trussler of the Alberta Court of Queen's Bench, ruled that sufficient evidence existed to extradite Ng on 19 of the 25 charges that he faces in California, 12 of which are for capital murders.

If that was not bad enough, on February 3, 1989 a judgment was issued on the return of the writ of habeas corpus by Justice Paul Chrumka of the Alberta Court of Queen's Bench. Chrumka upheld Trussler's ruling that there was ample evidence to extradite Ng. Ng appealed that judgment, at our cost, to the Alberta Court of Appeal. On May 2, 1989 the three judges of the Alberta Court of Appeal also upheld the extradition order. Ng's lawyer, Donald MacLeod, had 60 days to file a motion, asking the Supreme Court of Canada to hear the case. The motion was filed with the Supreme Court in June

1989. On August 31, 1989 the Supreme Court ruled that they would not hear Ng's appeal.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker, I hesitate to interrupt my colleague from Peterborough, but I want to raise a serious point of order with respect to the propriety of referring in this House in the manner in which the member has done to a case which is still very much before the courts. The hon. member will know that the Minister of Justice on June 8 of this year referred the question of the extradition of Charles Ng directly to the Supreme Court of Canada for hearing a determination. To the best of my knowledge, that case is still before the Supreme Court of Canada.

The long-standing precedent in this House certainly would indicate that it is inappropriate for this House to be discussing a specific case of this nature which is now before the Supreme Court of Canada and being considered.

I know the member has concerns about the extradition act, as all members of this House do, but I would ask the Speaker to caution the hon. member with respect to references to a particular case which is now before the courts.

The Acting Speaker (Mr. Nicholson): The hon. member for Peterborough would like to address that point.

Mr. Domm: I rather suspect, Mr. Speaker, with all due respect to the member who raised the point of order, that these interruptions will occur quite regularly in my address. I know I am at conflict with the member over trying to rush this bill through the House in the first place. I know this member will not agree, as the Liberals have agreed, and as the Conservatives have agreed, to move this bill on to committee for discussion at the legislative stage.

Given that as the parameter and from the member of Parliament who just raised the point of order, who supported an all-party position of four recommendations, one of which was to remove a Supreme Court opportunity, I would think that this point of order, which I am now addressing, and not my speech, would not be taken from the content of time allocated to me to speak. If the member wishes to ask questions, with all due respect, I am available to answer questions for as long as this House wishes to stay on this subject. I am not prepared to sit here, when a man who is outwardly and openly against this process of expediting extradition of convicts back to the United States—

The Acting Speaker (Mr. Nicholson): On the same point of order, the hon. member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker, just to be very clear, I certainly would not want it to be suggested that the time spent dealing with this point of order should in any way be taken from the time of the hon. member for Peterborough. I am quite prepared to agree that the hon. member for Peterborough should have all the time necessary to argue this particular point of order. That is certainly understood and I agree completely with the hon. member.

I do have the citation from Beauchesne, Mr. Speaker. It is under citation 335:

> Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub-judice convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

Finally, Mr. Speaker, I would note that it is particularly important that this convention be applied in criminal cases. As citation 336 notes:

> The sub-judice convention has been applied consistently in criminal cases.

Mr. Speaker, it is very important that this House recognize that the sub-judice convention is one which must be applied and which must be respected. Certainly, I do not in any way wish to detract from the full time which the hon. member would normally have for debate of the issue and not of this particular case.

The Acting Speaker (Mr. Nicholson): On the same point of order, the hon. member for Kingston and the Islands.

Mr. Milliken: Mr. Speaker, I know the hon. member for Burnaby—Kingsway has raised this point of order with the very best of intentions. In strict theory what he says is perfectly correct. I agree with him. But I think there is one thing that is very important.

I was listening to what the hon. member for Peterborough was saying and as I heard it, he was simply reciting the facts of this case that are public knowledge. He was not in any way discussing the merits of the case in so far as it was a criminal case. He was listing the events that had happened publicly in respect of this case.

• (1710)

I do not think that this constitutes anything but, possibly, a technical breach of the rule. I submit that in the circumstances we ought to let the hon. member continue with his recitation of the facts.

If he begins to discuss the merits of the case, I agree it may be that there is a valid point of order to be raised. But I think in listing the public events which have transpired, the hon. member is not transgressing the spirit of the rule and I hope we can hear him out on that basis.

Mr. Riis: Mr. Speaker, I really hesitate to raise this but we all appreciate the fact that the Speaker is the servant of the House and the Speaker, at all times is, if you like, in a position to offer a fair and unbiased judgment.

I guess the question as to whether the Parliamentary Secretary to the Minister of Justice ought to be in the chair on an issue of this nature raises some questions. As I say, I do not want to cause any difficulty because I know there are alternatives to the Chair. But I do have to say that it seems to be somewhat of a problem perhaps in terms of, at least, perception, when the parliamentary secretary is in the Speaker's chair on an issue as important as the one we are discussing today.

The Acting Speaker (Mr. Nicholson): I have heard the hon. member. I would have hoped that my position, as the parliamentary secretary, would have enhanced and given greater weight to a particular ruling on this.

I have heard what the hon. member said, and to deal with the points one at a time, this intervention, this point of order, will not be taken from the hon. member's time.

I think the hon. member for Burnaby—Kingsway accurately set out the rules by which we govern ourselves in this place. However, but I have to agree as well with the hon. member for Kingston and the Islands that what I heard, up to this point, was a recitation of the public facts as they relate to that particular case. At the same time, I would caution the hon. member that the convention referred to in the point of order is a voluntary restraint on the members of the House and I hope the member will keep that in mind in his remaining comments.

The hon. member for Peterborough.

Mr. Domm: Mr. Speaker, perhaps without taking more time on the point of order and going back to the contents of my remarks, I would like to continue with the court record of Charles Ng.

Ng's lawyer, Donald MacLeod, had 60 days to file a motion, asking the Supreme Court of Canada to hear the case. The motion was filed with the Supreme Court in 1989. On August 31, 1989, the Supreme Court ruled that it would not hear Ng's appeal. The then justice minister, now the Minister of Transport signed an extradition warrant on October 26, 1989 without seeking assurances that the death penalty would not be imposed. Ng's lawyer has indicated that he will be filing an appeal of the minister's decision to the Federal Court of Canada, Trials Division, and Mr. MacLeod has indicated that the earliest court date for the Federal Court would be June of 1990, taking two weeks to hear all witnesses, with a decision not expected before the fall of 1990.

On June 8, 1990 the Minister of Justice announced that she was referring the Ng case directly to the Supreme Court for a determination. A copy of the request is attached to my notes, for the benefit of *Hansard*. On October 1, 1990 the case had still not been inscribed at the Supreme Court in order that the court can set the date for trial.

What I would like to do is read to you one of the major concerns I have on this matter of the extradition of convicts, or suspected convicts. I quote from *The Ottawa Citizen* of June 13, 1990:

> Charles Ng, who is wanted for mass murder in California and is fighting extradition proceedings, is scheduled to complete a 4 1/2-year Canadian prison term this week.
>
> But his lawyer said Tuesday Ng is sure to remain behind bars—despite the formal expiry of his sentence—while the Supreme Court of Canada ponders his fate.

I will move onto another situation that brings home the urgency to get rid of what we have in Canada, a two-track system of justice. Those escaping justice in their own country can come to Canada and get more opportunities, more kicks at the cat in the court system

in Canada than a Canadian citizen could get under a similar condition.

I would remind you that we now have seven opportunities for persons such as I have mentioned, and others, to go to an extradition hearing, number one; a writ of habeas corpus, number two; an appeal to the relevant provincial court of appeal, number three; an appeal to the Supreme Court, number four; and then, if the Minister of Justice decides to sign the extradition request, it then goes on to an appeal of the minister's decision to the Federal Court of Canada, Trials Division. It then goes on to number six, an appeal to the Federal Court of Canada, Appeals Division. It goes on to number seven, an appeal to the Supreme Court of Canada. No one in the House of Commons can give me one example of any Canadian citizen in the country today who would have seven court opportunities to escape justice in the United States.

Let me tell you what some of our justice ministers have said on the subject. The hon. Doug Lewis spoke in Washington on January 24, 1990. He said:

> It is incumbent upon all countries to ensure that alleged criminals from one country do not regard other countries as safe havens. We must, therefore, strive to ensure that our extradition arrangements appropriately meet current needs—It now appears that a two-track process is developing in Canada, or has in fact been developed. The first track involves a judicial hearing to determine if the crime is one for which the extradition may be granted and includes any subsequent appeals. The second track entails a judicial review of the decision of the Minister of Justice in the Federal Court of Canada with the possibility of an appeal to the Federal Court of Appeal, and ultimately to the Supreme Court of Canada.

I will not read any more from his statement in Washington when he attended the Conference of the Society for the Reform of the Criminal Law. That minister and previous ministers, and the present minister, all agree that we need changes to our extradition laws.

In particular, I will deal for just one moment with another type of person who finds his or her way into Canada in order to escape justice in the United States. Could I refer the House for a moment to the case history of Joseph Kindler who was wanted on death row in the United States.

In the case of Joseph Kindler, let me reiterate what the situation is. He has been in our country, after escaping death row in the United States, for six years at least in our court system. He is also being granted his appeal on the minister's signature for a hearing at the Supreme Court of Canada.

What my bill does is very simply put these suspected or convicted persons on a fast track, one track, up through the judicial system. It affords them the opportunity to do the following: first, have an extradition hearing and a habeas corpus hearing. Then, if they wish to appeal the habeas corpus ruling, they have the right to go to the Federal Court of Appeal directly, not to be tried by a provincial judge, a one judge trial, but to be judged by a three judge trial at the Federal Court of Appeal. That is the appeal to the extradition order providing the minister signs the request and approves it first. In other words, he signs the order to be extradited.

• (1720)

Then they go directly from the habeas corpus case to the Federal Court of Appeal with three judges. If they lose that case before the Federal Court of Appeal, they have the right under my bill to make application to the Supreme Court of Canada. That is what my bill does, very simply. It gives them those five steps and eliminates only two. It eliminates a provincial court of appeal and it goes directly to the federal courts. It eliminates the first track, the Supreme Court of Canada, and goes directly to the Supreme Court of Canada from the Federal Court of Appeal under my bill.

It is a very soft bill to what I would really like to see, but what I would really like to see is not always possible in a government situation. Here is the difficulty. We have a Charter of Rights. The Charter of Rights guarantees a hearing under habeas corpus. I do not want to remove that because I do not wish to get into conflict with the Charter.

However, there is nothing to say that that should not be considered. In Section 1 of the Charter something in the way of a protection such as that can be removed as long something better is put in its place. I think this bill puts something in place that is better. It gives that person the right to go directly to a federal three judge court of appeal right from the habeas corpus hearing, if he or she wishes. It also leaves the door open for that final appeal to the Supreme Court of Canada.

With the kind of history we have to look back on and with the kind of support we have as members of Parliament to consider legislation that would speed up this process, think of the good side to the victims in the United States who are trying to bring people such as those whom I have mentioned to court to face justice in the United States.

I read from *The Toronto Star* of Thursday, May 18. It states:

> —families of at least 12 slain American men, women and children—torture victims who were beaten, raped, shot, their bodies later incinerated and buried. Some bones and body parts were uncovered by investigators at a remote farmsite in Calaveros County, outside San Francisco. The bodies of other victims have never been found.
>
> No funerals, no spiritual farewells for their families, the final resting place for their loved ones unknown—
>
> Trying unsuccessfully to hold back the tears—

—one of the 12 victims family members that visited Ottawa back in May of 1989—

> —told how her family has agonized over their inability to give her son a proper burial—
>
> Her 20-year-old-daughter, Brenda, year-old grandson, Lonnie, and son-in-law Lonnie Bond, were also among the murder victims. Film even exists that shows her daughter, handcuffed and bound in chains, begging for her baby. The child's body has never been found, and O'Connor hangs on to the slim hope he is still alive somewhere.

Justice denied is a very unfair analysis to put on this case, but it is a real one. Witnesses to these kinds of murders, or suspected murders, go unanswered while we hold these people in our prison system waiting for extradition.

I hope that the House will see fit to put this to committee for a quick decision on technical amendments, or whatever other amendments are permissive under our system of private members' legislation, to return it with due haste to the House of Commons for a report and third reading vote.

I do not think these concerns will be able to go unanswered by Canadians across the country.

I have one closing comment. I think the governors of California and of Ohio have spoken very key words in trying to find a solution to this problem.

I would like to read from their comments as they pertain to justice being denied. This is a letter from the Office of the Governor, state of Ohio, dated May 5, 1989. It reads:

> As you know, Charles Ng is wanted by the State of California for nineteen criminal charges that include burglary, kidnapping, and twelve counts of murder. At present, his extradition case is in Canada's judicial system, at the provincial level.
>
> I fully support the extradition of Charles Ng to the State of California, to face prosecution for his alleged acts of violence—Mr. Ng should be returned to California not only to stand trial, but also so that the victims' families may be able to learn the fate of their loved ones.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I was listening very intently to the presentation of the member for Peterborough on Bill C-210.

I agree with the member that there need to be some changes in this law. In fact we have waited an undue length of time for changes in the laws of extradition in this country.

He referred to some cases. I do not think there is any one case which really emphasizes this more than the Ng case, but I think that there are a lot of incidents where we have seen that the extradition process in Canada really is antiquated and needs to be changed.

That is not to say that in routine proceedings a lot of the extradition cases are dealt with expeditiously. Sometimes they can be sometimes quite routine, but in cases where there is an allegation of murder or a capital offence then the extradition will most certainly be challenged by the person whom the government is proposing to extradite. Of course this process can take quite a length of time.

The Minister of Justice said on January 24 of this year, as the member for Peterborough mentioned, that he was very concerned about this law and that he would be giving it a great deal of attention in the months and weeks ahead. That was in January. Now we are in October and we do not have any presentation by the government. I think that is wrong. The government just seems to be stalled on this. For that reason I would like to give the hon. member's bill a lot more attention in a legislative committee.

It is the position of my party that we should allow this bill to go to a legislative committee where we can look at it. We are not saying that the bill is perfect, that it supplies all the needs or has everything that we would want; but it is the only basis we have at the present for discussing this matter and bringing forth more modern concepts or more modern law to deal with this increasingly important question.

I recommend, on behalf of my party, that this matter be brought before a legislative committee.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I appreciate having an opportunity to participate in the debate on this very important question of the extradition law in Canada.

I want to just pick up on the point that was made by the previous speaker, the member for Cape Breton—The Sydneys, with respect to the real issue here. The real issue here, Mr. Speaker, surely is the fact that the Conservative member for Peterborough has a grievance with his own government and, in particular, with the Minister of Justice.

• (1730)

It was the Minister of Justice who promised many months ago that she would be moving forward on this issue of extradition. The minister was questioned before the Standing Committee on Justice and the Solicitor General when she appeared, and she was asked about possible changes to the law on extradition. Indeed, Mr. Speaker, it was not just representatives from one party who expressed these concerns, there were representatives of all three parties on the Standing Committee on Justice and the Solicitor General.

The Minister of Justice said yes, she was concerned, she would look at it. But, Mr. Speaker, we are now into the latter part of October and there has still been no action taken whatsoever.

If the Conservative government is serious about changes in the law of extradition, why does it not bring forward a bill? Why does the member of Parliament for Peterborough not persuade the Minister of Justice to finally do something in this area of extradition? Why is it, Mr. Speaker, that he is getting up with a bill which was drafted long ago which, in fact, does not reflect the recommendations of the Standing Committee on Justice and the Solicitor General in this important area of extradition?

My colleague from Cape Breton—The Sydneys said: "Let's send this whole thing to the committee and study the bill".

The problem with that, Mr. Speaker, is that we have already done that. We have done exactly that. The Standing Committee on Justice and the Solicitor General did in fact study the whole question of extradition. We received extensive evidence from a number of witnesses who looked at this issue with great care. We received background studies from the Library of Parliament, an overview of the extradition process. Following that lengthy and thoughtful process of hearings—and the member for Peterborough recalls that, he was a part of the process of hearings around this question of extradition—the Standing Committee on Justice and the Solicitor General unanimously submitted a report to this House.

Why is the Minister of Justice ignoring the unanimous recommendation of the Standing Committee on Justice and the Solicitor General for changes? We have the member for Peterborough coming before the House and pointing out concerns in this area. We have the member for Cape Breton—The Sydneys saying: "Let's study this some more". Well, Mr. Speaker, we do not need any more study.

The member for Peterborough, the Liberal justice critic, a representative of my party, all have studied this issue. The people of Canada want action. They do not want more studies. They do not want more committee meetings. They want a government that is prepared to move.

It is that which causes me concern and which causes my colleagues concern. What the member for Peterborough is doing in fact may very well delay the process of real change in this important area.

I believe that the people of Alberta, the people of other provinces in Canada, want this government to move, and the member for Peterborough is giving the government an excuse for further delay. That may not be his intention, but practically speaking that is exactly what is going to happen. Instead of the Minister of Justice being forced to finally move and to act on the unanimous recommendations of the standing committee, the Minister of Justice can say: "No, no, I can't bring forward legislation now because the bill is being studied by another committee. The member for Peterborough wants us to spend more time".

Mr. Speaker, people in this country are fed up with—

Mr. Domm: Mr. Speaker, because of my very special interest in the subject, I listened very carefully to what the Liberal member said and I know what I said. At no time did I ever ask for any study, nor at any time did the Liberal member ask for any study.

What we asked for is—

Mr. Robinson: Point of order.

Mr. Domm: Just let me finish. You have a habit of interrupting.

Mr. Robinson: This is not a point of order.

Mr. Domm: This is a point of order.

He has accused both the Liberal member of Parliament and myself of asking for a study. The Liberal member of Parliament asks that this bill be passed on tonight to the legislative committee to bring back the bill with whatever technical changes are needed. I did not ask for any study. The Liberal member did not ask for any study. The only member who is asking for any study is the NDP member who refuses to pass it today, send it to a legislative committee, and vote on it.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Peterborough expressed an opinion that is subject to debate, and I again recognize the hon. member for Burnaby—Kingsway.

[*English*]

Mr. Robinson: Mr. Speaker, I trust that this will not be taken out of my time, just as the member for Peterborough received a similar assurance.

Parliament has studied this issue. There has been a unanimous report. What this member is doing is proposing to the people of Canada that we study an issue which has already been studied. That is exactly what it means when a bill is sent to committee. There will be more hearings, more witnesses and more reports. That is not acceptable to the people of this country.

Mr. Domm: Mr. Speaker, the member is clearly questioning the procedure of a private members' bill. when we vote on it at second reading it must go to a legislative committee, not for study, but for amendments and changes. This applies to every bill, whether it is government or private.

What he is doing is filibustering against a private members' bill and saying the government should do it. He is here as a private member with bills himself.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member for Peterborough, but this is again a matter of opinion. I think we should get back to the main subject of this debate. I again recognize the hon. member for Burnaby—Kingsway.

[*English*]

Mr. Robinson: Mr. Speaker, I understand that the member for Peterborough is perhaps a little nervous in recognizing that by proposing this particular strategy, he is going against the wishes of the people of this country who want legislative action. They are looking for a government to provide some leadership in this issue.

I would like to challenge the member for Peterborough. His caucus meets, I believe, on Wednesday mornings. I suggest that the member for Peterborough raise this issue in his caucus and ask his colleague, the Minister of Justice, to bring a government bill before this House. I am quite prepared, on behalf of my colleagues, to make a commitment that if that bill which the Minister of Justice brings before this House reflects the recommendations of the Standing Committee on Justice and the Solicitor General, that bill will in fact receive the prompt attention of this Parliament.

What the member for Peterborough is doing is proposing yet another delay. This member knows that there has been a great sense of anger and outrage in this country with respect to what are perceived to be understandable flaws and weaknesses in this legislation, in the existing Criminal Code provisions.

I do not think that the people of Peterborough, the people of Calgary, the people of Red Deer or other Canadians would be very happy at the suggestion that having studied this legislation and having submitted a report to the Government of Canada, the Government of Canada is simply ignoring the recommendations of a parliamentary committee. That is exactly what it is doing.

Where is the Minister of Justice? Why has she not stood up in this House and said: "Yes, I have read the recommendations of the third report of the Standing Committee on Justice and the Solicitor General. I understand the concerns of Canadians from coast to coast about the extradition process and here is a bill." That is not what the Conservative government is doing. It is failing to provide any leadership whatsoever. I understand the frustration that the member for Peterborough feels with his own minister. It must be terribly frustrating because he cannot get his own government to

move. Now he is desperately looking around for some other way to do an end run around his own government. The people of Canada deserve better. The people of Canada deserve leadership on this important issue. The people of Canada do not want more committee hearings on a process which has already been studied, and studied, and studied again.

• (1740)

Mr. Speaker, you are asking me to conclude, and I will conclude by saying that the time for action on this very important subject and for government action is now.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I will be very brief. I want to point out to all here and the people of Canada that we are seeing a filibuster by the New Democratic Party.

The critic for justice, the hon. member for Burnaby—Kingsway, talks about bills coming into this House. He knows full well that time allocation for bills coming into the House is limited indeed because every bill that comes before this House with a government initiative is being thwarted by members of Parliament in the opposition.

Mr. Robinson: Mr. Speaker, I will reserve.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1750)

And being returned:

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Private Members' Business

> Bill C-28, an Act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related Act—Chapter 39
>
> Bill C-21, an Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act—Chapter 40

THE CRIMINAL CODE AND THE SUPREME COURT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Domm for second reading and referral to a legislative committee. Bill C-210, An Act to amend the Criminal Code and the Supreme Court Act *(habeas corpus)*.

The Acting Speaker (Mr. DeBlois): At the time the sitting was suspended, the hon. member for Athabaska had the floor.

[*English*]

Mr. Shields: Mr. Speaker, there is one point I would like to say very clearly, and that is that the member of Parliament—

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Burnaby—Kingsway, on a point of order.

[*English*]

Mr. Robinson: Mr. Speaker, I believe that I had the floor when the Black Rod knocked, on a point of order.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry, but the end of your speech coincided with the end of your speaking time. Your speaking time has now expired.

[*English*]

The hon. member for Athabasca had the floor. The hon. member for Burnaby—Kingsway.

Mr. Robinson: Mr. Speaker, I did have the floor on a point of order when when the knock came on the door. I was just starting the point of order when we were interrupted by Her Majesty's representative.

Very briefly, because I know that the hon. member for Athabasca wants to speak on this important question, the

hon. member for Athabasca suggested that in some way there was a filibuster under way in this House. I want to just draw to the attention—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry but this is not a point of order. It is more a matter of opinion. I again recognize the hon. member for Athabasca.

[*English*]

Mr. Shields: Mr. Speaker, the hon. member for Burnaby—Kingsway underlined in his presentation that there is no use in members of Parliament submitting private members' bills—and there are many submitted in this House— because, even if there is general agreement in the House of Commons and they follow the same procedure as any other bill presented in this House by the government, they are not worth anything in that they will in some way impede the government's way of doing business.

I want to compliment the member for Peterborough who has been very diligent in his work. He has worked very hard with the law officers of this establishment to put together a bill that I think is very reasonable, that should go forward immediately to committee and that should be brought back to this House for third and final reading.

I would like to suggest—we will quit before the time is up—that all members stop speaking on this bill and that by unanimous consent we move it into committee.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, in the minute or two that the hon. member for Athabasca has left me, I want to point out that there are certain measures proposed by the all-party committee, which included the member for Peterborough, with which I am in agreement. I think everybody in this House is likely in agreement, but I want to say that I think it is a mistake for the member for Peterborough to intervene in this way rather than by bringing the pressure to bear on his government. There is a pattern that is occurring in the last several years, the last four our five years in particular, of endangering human rights.

The point about human rights is that when you endanger the human rights of one, you may endanger the human rights of another one. The one may look quite bad enough, but you may hurt somebody else that you would not have wanted to hurt. However, the precedent when it is set is set. This is why I would—

The Acting Speaker (Mr. DeBlois): Order. The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

IRAQ

INVASION OF KUWAIT

The House proceeded to consideration of motion No. 16 in the name of Mr. Clark (Yellowhead).

That this House condemn the invasion of Kuwait by Iraq and, encouraged by the unprecedented international consensus demanding the immediate and unconditional withdrawal of Iraqi forces from Kuwait and the full restoration of the legitimate government of Kuwait, affirm unequivocally its support for Canada's actions in the Security Council and its support for all relevant United Nations Security Council resolutions adopted since August 2 and for the sending of members, vessels and aircraft of the Canadian Forces to participate in the multinational military effort in and around the Arabian Peninsula, and in recognition of the seriousness of this matter, accept the undertaking of the Government to present a further resolution to this House in the event of the outbreak of hostilities involving Canadian Forces in and around the Arabian Peninsula; and

That upon adoption of this motion, the said motion shall be deemed referred to the Standing Committee on External Affairs and International Trade.

The Acting Speaker (Mr. DeBlois): It being 6 p.m, pursuant to orders made Thursday, October 18, and Friday, October 19, 1990, the House will now proceed to the defferred division on the motion concerning the invasion of Kuwait by Iraq, Government Business No. 16.

Call in the members.

• (1825)

The House divided on the motion Mr. Clark (Yellowhead), which was agreed to on the following division:

(Division No. 307)

YEAS

Members

Anderson
Andre
Arseneault
Atkinson
Axworthy (Winnipeg South Centre)
Beatty
Bélair
Belsher
Berger
Bertrand
Bird
Bjornson
Blackburn (Jonquière)
Blondin
Bosley
Boudria
Bourgault
Brightwell
Browes
Caccia
Cadieux
Callbeck
Cardiff
Catterall
Chadwick
Champagne (Champlain)
Clancy
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Cole
Comuzzi
Cooper
Côté
Couture
Crawford
Crosby (Halifax West)
Danis
Darling
de Cotret
Della Noce
Desjardins
Dingwall
Dobbie
Domm
Dorin
Duhamel
Duplessis
Edwards
Epp
Fee
Feltham
Ferguson
Ferland
Finestone
Fontaine
Fontana
Foster
Fretz
Gaffney
Gagliano
Gauthier
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greene
Grey (Beaver River)
Guilbault
Halliday
Harb
Harvey (Chicoutimi)
Hawkes
Hicks
Hockin
Hogue
Holtmann
Hopkins
Horner
Horning
Hughes
Jacques
James
Johnson
Joncas
Jordan
Jourdenais
Kaplan
Karygiannis
Kempling
Keyes
Kilger (Stormont—Dundas)
Landry
Langlois
Larrivée
Layton
Lee
Littlechild
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
MacKay
MacLaren
MacLellan
Malone
Manley
Marchi
Marleau
Martin (Lasalle—Émard)
Martin (Lincoln)
Mayer
Mazankowski
McCreath
McDermid
McDougall (St. Paul's)
McGuire
McKnight
Mifflin
Milliken
Mills
Monteith
Moore
Nicholson
Nunziata
Oberle
O'Kurley
Ouellet
Pagtakhan
Parent
Peterson
Phinney
Pickard
Plourde
Porter
Pronovost
Redway
Ricard
Roy-Arcelin
Saint-Julien
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Shields
Sobeski
Soetens
Sparrow
Speller
Stewart
Tardif
Tétreault
Thacker
Thompson
Thorkelson
Turner (Halton—Peel)
Valcourt
Vanclief
Van de Walle
Venne
Vézina
Vien
Vincent
Volpe
Walker
Wappel
White
Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Winegard
Wood
Worthy
Young (Acadie—Bathurst)—170

NAYS

Members

Angus
Assad
Benjamin
Black
Blackburn (Brant)
Brewin
de Jong
Fisher
Fulton
Funk
Gardiner
Harvey (Edmonton East)
Heap
Hunter
Karpoff
Kindy
Langan (Mission—Coquitlam)
Lapierre
Laporte
Leblanc (Longueuil)
MacWilliam
McCurdy
Mitchell
Prud'homme
Riis
Robinson
Rocheleau
Rodriguez
Skelly (Comox—Alberni)
Stupich
Taylor
Whittaker
Young (Beaches—Woodbine)—33

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

It being 6.28 p.m, the House stands adjourned until 2 p.m. tomorrow afternoon, pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, October 24, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

LONG POINT MILITARY BASE

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, there has been a peaceful demonstration to focus the attention of the public, and especially that of the federal government, on the closing of the Long Point military base. The demonstration in front of the base has just ended.

A few weeks ago, the Minister of National Defence said he was still considering this possibility. This is no time to consider, Mr. Speaker. It is time to act and say no to closing this base, a step that would jeopardize more than 1,000 jobs in East Montreal and more than two million dollars worth of economic spinoffs in the region. East Montreal, as you know is already in poor economic shape, so that closing the base would have a devastating effect.

I therefore wish to ask the government and the Minister of National Defence to inform employees and the people in East Montreal immediately that the base will not be closed and to do so in writing. Only then will businesses, residents and the employees concerned be able to look to the future with confidence.

* * *

TRIBUTE TO SENATOR THÉRÈSE LAVOIE-ROUX

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, today, the School of Social Services at the University of Montreal intends to honour Senator Thérèse Lavoie-Roux for the exceptional contribution she made in the course of her public career, by awarding her an honorary doctorate this afternoon.

Thérèse Lavoie-Roux was, in the course of her career, first commissioner and then president of the Catholic School Commission of Montreal, MPP for the riding of Acadie, Minister of Health and Social Services, and was recently appointed to the Senate.

Mrs. Lavoie-Roux was the first woman to become Minister of Health and Social Services in Quebec. Mr. Speaker, not enough women accept the challenge of public life, and that is why I think it is very important to emphasize the contribution made by Mrs. Lavoie-Roux and her importance as an example for women who are attracted to public life.

Mr. Speaker, I wish to offer Mrs. Lavoie-Roux my sincere congratulations on receiving her honorary degree this afternoon.

* * *

[*English*]

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the Minister of Forestry is now saying that he only has $100 million to fund a new forest agreement with British Columbia, despite the fact that the entire forestry community is demanding a joint agreement which would include a commitment of $350 million from the federal government.

Mr. Speaker, by buying gas at PetroCan and picking up some forestry stamps, the Boy Scouts are doing more to plant trees in Canada than this government; I will send some stamps to the minister.

Both the federal government and the Socreds in Victoria have failed to sign an agreement despite repeated commitments and promises to do so.

A well-managed forest industry is vital to Canada's economic and environmental well-being, but the health of our forests is left twisting in the wind by the Socreds and Conservatives. They should get on with it and sign a new forest agreement now.

S. O. 31

CANADA POST

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, despite the fact that Canada Post, as a Crown corporation, essentially operates independent of Parliament, on behalf of many residents of Brandon—Souris, I would like to urge Canada Post, in the words of a recent *Deloraine Times & Star* editorial to "Consult With Your Community".

Although most Canadians are relieved to know that Canada Post no longer requires a $300 or $400-million annual subsidy upon which it used to depend, many rural residents are frustrated and angry with this Crown corporation's recent tendency to reduce both the hours of service and the number of employees without consulting with either the local postmaster or town and rural municipal officials.

If Canada Post officials have sound and logical reasons for the policy changes which they are announcing, they presumably could convince others of the merits of those proposals. To proceed, however, as they are currently doing, without consulting with local leaders, is only to ask for the angry editorial response which many rural weekly newspapers are now providing.

* * *

UNITED NATIONS DAY

Mr. John Brewin (Victoria): Mr. Speaker, today is United Nations Day, the 45th anniversary of the founding of the United Nations.

In the past half century, the United Nations has had enormous successes and, of course, significant disappointments. The successes include programs of health, aid to refugees, and progress on development. The UN has led the struggle against apartheid and colonialism, has pointed the spotlight on human rights abuses and set the agenda for meeting the terrible and great problems that face the global environment. The end of the cold war holds great hope now that the fundamental purpose of the UN, to establish an international rule of law, can finally be realized.

On United Nations Day, we join with the Secretary General of the UN, Perez de Cuellar, who said, "We must continue to draw inspiration from the ideals to which our Charter gave luminous expression. These ideas are not the intellectual fabrications of visionaries. We are embedded in the hearts of men and women around the globe".

* * *

[*Translation*]

SMALL BUSINESS WEEK

Mr. Jacques Vien (Laurentides): Mr. Speaker, since this is Small Businesses Week, I would like to draw the attention of the House to the fact that in the past ten years, small businesses have generated exciting ideas and a host of innovative products and services, thus creating thousands of jobs and playing a major role in boosting the economy of this country.

More than ever before, Canadians have realized that entrepreneurship could be exciting and profitable and offer tremendous opportunities for personal enrichment and financial success.

The Small Businesses Loans Act is a federal initiative aimed at helping small businesses, either new or existing ones, to obtain medium-term loans from chartered banks and other designated lending organizations to finance capital improvements.

Under this legislation, the government is committed to reimbursing 85 per cent of the loan to the approved lender, should the borrower default on his payments. This guarantee applies to loans of up to $100,000 for the fiscal year ending on March 31, 1989. More than 17,726 have been granted, representing a total of $682 million.

* * *

ADVISORY COMMITTEE ON "LA FRANCOPHONIE"

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, recently, the Minister of Communications established an advisory committee on *la francophonie*.

Without wishing to reflect on the competence of the committee's 15 members, I fail to understand why the minister decided that only one Francophone from outside Quebec met his selection criteria and that no members of ethnic minorities qualified for this team of advisers.

Should this not be seen as an insult to Francophones outside Quebec and to new Canadians, including Haitians, Vietnamese, Lebanese, Africans, and so forth, all of whom make a substantial contribution to French culture? How could the government ignore this potential

and fail to take advantage of the pluralism that has become one the major elements of our Canadian social fabric, especially in the province of Quebec?

I hope the minister will take steps immediately to correct this oversight, and thus make his committee a more authentic reflection of today's Canada and present to the world an accurate image of what we are. We are very anxious to hear the government's response.

* * *

[*English*]

SMALL BUSINESS WEEK

Mr. Stan Wilbee (Delta): Mr. Speaker, on the occasion of Small Business Week 1990, I would like to pay tribute to the small business community in Canada, and in particular, to small business in my riding of Delta, British Columbia.

The small business sector has created thousands of jobs and made a major contribution to the Canadian economy. Small and medium-sized businesses have spawned exciting ideas and a host of innovative products and services.

In Delta, we have many examples of new products and technology. Horizon Fibreglass has created a canopy for the safe transportation of seedlings used for reforestation. MST Products makes specially designed bicycle handle bars to allow cyclists to assume the most aerodynamic position for racing. Sentinel Vision Inc. has developed a unique technology to inspect seams in food and beverage cans for a more efficient quality assurance process.

• (1410)

The federal government, through the Federal Business Development Bank, Western Economic Diversification, and other initiatives, has worked to foster an economic climate in which small business can grow.

Canadian entrepreneurs have seized the opportunities and created their own successes. Small Business Week 1990 celebrates the entrepreneurial spirit and drive behind the success of the small business sector in Canada.

S. O. 31

UNITED NATIONS DAY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, today is United Nations Day and the beginning of UN Disarmament Week.

Faced with the threat of war in the Gulf region, it is imperative that the United Nations be given the support necessary to settle this horrible conflict.

This means we must work within the mandate of the United Nations to make it the co-ordinating body of any military or political action. Otherwise the world will miss this chance to consolidate a new approach to international conflict resolution and peacekeeping.

We must now, more than ever, reject the doctrine of "might is right" and adhere to the rule of law between nations. This could lead, not only to a peaceful resolution in the Gulf, but would help establish an important precedent to prevent and resolve future conflicts.

Let us use this terrible incident as an opportunity to reform and strengthen the United Nations.

* * *

[*Translation*]

TRIBUTE TO PREMIER OF QUEBEC

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, as an Anglophone member from Southern Ontario, I would like to congratulate the Premier of the province of Quebec, the hon. Robert Bourassa.

Last Friday, Mr. Bourassa categorically rejected independence for Quebec. He said that Quebecers do not want a Quebec passport and do not want to lose their citizenship. They don't want to lose Canada. Mr. Bourassa also said, with unaccustomed vigour, that he would not compromise Quebec's economic stability.

Personally, Mr. Speaker, I think we need Mr. Bourassa in this great debate on Canada, and as a Canadian, I say: bravo, Mr. Premier!

* * *

[*English*]

SRI LANKA

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, the Government of Sri Lanka is in the process of committing genocide against the Tamil minority. In my riding there are many constituents of Tamil origin. I have

been contacted by many, including the chairman of the National Association of Canadian Tamils, to bring this issue to the attention of the Canadian Parliament.

We in Canada know the problems that can arise with vocal minorities, but we also know that killing the minority group is not the answer.

I ask the House, when will the Secretary of State for External Affairs take appropriate steps to pressure Sri Lanka, which is a member of the British Commonwealth and the United Nations, to stop this outrageous behaviour?

In light of the massive oppression and death that faces Tamil people living in Sri Lanka, I also ask the House to ensure that those who are in need can take refuge in Canada from the brutal regime of the Sri Lankan government.

* * *

CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it's time once again for the corporate welfare bum of the week award.

This week the nominees are BP Canada with $6.2 million in profits in 1989 and no taxes paid; Confederation Life Insurance with $103 million in profits in 1989 and no taxes paid; and last, but by no means least, Domtar with $18 million in profits in 1989, and no taxes paid.

Now for the winner. The envelope, please.

The winner is Domtar. This company along with two other nominees have been outstanding members of Tom d'Aquino's BCNI, but we feel that Domtar deserves special consideration because not only did it have $18 million in profits but on top of that it received an extra $21 million in tax credits from this government. With that kind of business savvy, Domtar deserves a *b* rating.

* * *

UNEMPLOYMENT INSURANCE

Mr. George Proud (Hillsborough): Mr. Speaker, at a time when thousands of workers are losing their jobs in Atlantic Canada, it is unbelievable that this government, through Bill C-21, will inflict more hardship on Canadians struggling with high interest rates, the proposed goods and services tax and a made-in-Canada recession.

The government adds insult to injury by eliminating its financial contribution to the UI fund, while at the same time maintaining control over the allocation of money collected from workers and employers.

In its arrogance, the government will take our money, do with it as it pleases, and leave the regions, such as Atlantic Canada, with added strain on their already fragile provincial economies.

With the passage of Bill C-21 and if the unemployment rate remains stable, Prince Edward Islanders will receive only 35 weeks of benefits rather than the 42 weeks received under the old system.

At the same time, they will have to work two extra weeks to qualify for fewer benefits. This means that Islanders must now find an additional nine weeks of work.

* * *

[*Translation*]

BILL C-21

Mr. Clément Couture (Saint-Jean): At long last, Mr. Speaker, Bill C-21 has been given royal assent after a long stay in the other place. Our government is satisfied with this turn of events because we are now in a better position to help Canadian workers acquire new skills and plan for the future.

Several amendments will make it easier for workers to cope successfully with ever changing labour market conditions. These amendments also bring unemployment insurance provisions in line with the Canadian Charter of Rights and Freedoms.

Mr. Speaker, the amendments reflect the government's labour force enhancement strategy and make the unemployment insurance program more atuned to the priorities of workers seeking assistance and vocational training.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

Today, the government's own figures show that bankruptcies are up 37 per cent. In the face of this, the minister has the nerve to send out 40,000 videos to try to tell Canadians that they are among "the most fortunate people on earth".

Why does the Minister of Finance think that the thousands of Canadians going into bankruptcy, losing their jobs, their businesses, and their farms are among the most fortunate people on earth? Why does he not stop this phoney propaganda campaign and bring in new policies that will turn this economy around, and not drive it into the ground?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I say to you again that Canadians are one of the most favoured people in the world today.

We are going through a difficult period in the economy. There is no question of that. I have been talking about that for a number of months now. I am not happy about it. But when you stand back, Mr. Speaker, and look at the advantages that we have in this country and when you look at the challenges that we are facing in relation to the major difficulties and disruptions that are going on in other countries of the world, you have to reflect on the fact that we are a very fortunate people.

It is very important as that very fortunate people to do the things that are right and to follow the sound economic policies that we have been following to get our economy back on track so we can continue to do more to help those in other countries.

In the meantime, we have our work cut out here. We are sticking to our guns on it, because we believe that it is the right thing to get our economy on track again.

Some hon. members: Hear, hear.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, what will it take for this minister to recognize and admit the damage his policies are doing to our farmers, our business people, and our workers? Do they have to start sending him videos showing themselves losing their farms, their businesses, their homes, and their jobs. If they did, those videos would be rated *r* for recession to show the horror of the government's policies.

When will the minister stop trying to defend, as he is doing now, the policies that got us into this mess and start trying to do something constructive about it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member has referred to this video. The video is designed to respond to questions that people have been asking us. We have had 350,000 odd people who have called the information line. They want to know about the GST. They want to know where the GST fits into our economic plan. They want to know what we are doing to control government spending. They want to get an accurate picture of the financial position of the federal government, and that is precisely what this video is designed to do.

I would also say to my hon. friend that he has a short-term point of view here. I do not deny it is a view which shows that we have a difficult period in the economy. If he would extend his view to the last five or six years when the same policies that we have been following have resulted in record rates of growth, growth that is second only to Japan of the major industrialized countries and growth that has resulted in the creation of over 1.5 million jobs.

• (1420)

That is the combination of policies that the government has been following that has got us to a position where we have had a very good economy over the past six years. We have to get through this period. If we can get through this period, get the rate of inflation down, and get the inflationary pressures under control, then we can build the base for strong non-inflationary growth into the future.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Canadians are losing their farms, their businesses and their jobs because of the policies of this

minister. Meanwhile the Minister of Finance is wasting public funds on a video which shows nothing of the economic mess his policies helped create.

Again I ask the Minister of Finance when will he recall that video and come up with a policy designed to pull Canadians out of the recession?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not going to withdraw the video because the video is responding to the concerns and questions of many people in the country. I will send the hon. member a video later this afternoon, if he wishes. I will send one to my colleague, the Leader of the New Democratic Party. It is important for all members of Parliament to learn what is happening.

The title of the video is *Where Do Your Tax Dollars Go?* I think there are a lot of Canadians who are asking that question. They have seen increases in taxation, which my hon. friend has commented on on a number of occasions. It is important to know what those tax dollars are spent on, the impact of the debt that we inherited in 1984 on the spending of the government, and the impact of the compound interest which we inherited in 1984. That compound interest, by the way, represents 80 per cent of the accumulation of debt that we have seen since 1984.

The hon. Leader of the Opposition should understand that it was the government that he was associated with which laid the groundwork for the high interest rates that we are facing.

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INDIAN AFFAIRS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is directed to the Minister of Indian and Northern Affairs. On September 25, the Prime Minister spoke of his commitment to accelerating the specific land claims process. The aboriginal peoples of the Atlantic provinces have yet to be convinced of this commitment.

The maritime chiefs are meeting in Moncton, New Brunswick this week, including the chief from the Woodstock Band whose specific claim was validated by the government six years ago with no progress to date.

How does the minister intend to accelerate the specific claims process in the Atlantic regions of Canada?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, consistent with the Prime Minister's commitment, we have been holding meetings with various groups with a view to expediting the settlement of treaty deficiencies and the comprehensive claims. Such was the discussion in which the Prime Minister participated yesterday in Vancouver. It was a very successful meeting with the combined leadership of all of the native leadership of British Columbia.

Two weeks ago in this city, with members of Atlantic chiefs present, a process was undertaken with a view to improving the processing of specific claims. The government will certainly be bringing forward a major initiative in that respect, hopefully before the end of this year.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary question is directed to the same minister.

In excess of 500 specific claims remain unsettled to this day in Canada. In New Brunswick alone over 68 claims remain outstanding. A year and a half ago the government refused a proposal for funding for land claims from the Union of New Brunswick Indians and has not responded to a re-application for funding submitted one year ago.

Is this what the Prime Minister means by acceleration, a system that cannot provide a response to a serious request and a Conservative member of Parliament who refuses to meet with the chief of that reserve?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would urge the hon. member to show as much confidence in our ability to deal with these issues as the native leadership of Canada has done. They are participating in important meetings and have promised me a report within 30 days on the process which will be required to improve our ability to dispose of specific claims quickly.

I myself have met with the chief of the Woodstock band to get on with the process that the Liberal government was unable to complete over many years when the party of which she is a member was in office.

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance about the record number of bankruptcies.

In the previous worst year, 1982, when the minister was in opposition, he said: "This government must begin to realize that it is individual people who are being hurt." He went on to say: "We must deal with individual Canadians who are losing their jobs and their businesses."

Will the minister back up his caring words from then with action now to respond to this record 37 per cent increase in bankruptcies in the country?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I understand that it is people who are losing those businesses. I understand that the people who are working at those firms are losing their jobs, and I do not take any pleasure in that. I do not enjoy that at all.

What I have to point out to the hon. member, as he makes reference to 1981–1982, is that the level of bankruptcies as a percentage of the economy is about half what it was at that time.

The other point that I would make to him is that, if we are going to be able to get through this period and avoid the excessives of the high interest rates of 22 per cent and 25 per cent that we endured in 1981–1982, it is important for us to get the inflationary pressures under of control. That is why we have been following the policies that we have been following. We are making some progress there. We are getting those inflationary pressures under control. As we do so, we will be able to see some reduction in interest rates.

If we let the party go on, as was the case in 1981–1982, then the hon. member is asking for exactly the sort of thing we want to avoid here. Mr. Speaker, we are determined to avoid that.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is very clear that the minister has lost those caring attitudes that he expressed in 1982.

Paul Cazabon is a farmer in St. Joachim in my constituency who has lost his 740 acre farm because of high interest rates on his machinery, his land, and his operating loans. That is what these bankruptcy statistics mean. They mean broken dreams for people right across the country.

I want to ask the Prime Minister directly: What has the Prime Minister of the country to say to Paul Cazabon and his family?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Paul Cazabon is someone for whom I have a great deal of sympathy and the difficulties that he is going through. But if we do not do the things we are doing, there will be many more Paul Cazabons who will be suffering from the same sort of interest rates that we had in 1981–1982. Surely, my hon. friend must recognize that that is something that we want to avoid. We must avoid. That is why we are following the directions we are now.

As I have indicated on many occasions, we are making progress. If we continue to make progress, we are going to see many fewer people such as Paul Cazabon suffering from the things he is going through now. Those difficulties are very, very difficult for him. I understand that, but we want to stop this happening in the future. The best thing we can do to stop that happening in the future is get the problems under control, as we seem to be getting those problems under control.

• (1430)

Mr. Steven W. Langdon (Essex—Windsor): I cannot believe that this minister is telling us the best that he can do is to see an increase of 7,000 in bankruptcy statistics this year. Why can this minister and this Prime Minister not give us some sensitive, caring answers? Instead of action to help Paul Cazabon, the minister is spending another $300,000 on a video.

I ask this minister—

[*Translation*]

What explanation does the minister have for wasting this kind of money when so many Canadians have gone bankrupt this year?

[*English*]

Hon. Michael Wilson (Minister of Finance): As I indicated in my previous answer, Mr. Speaker, I do not take any pleasure in seeing what Paul Cazabon is going through now, but I do know that in the province of Ontario there are a lot fewer Paul Cazabons than there were as recently as 1986. The 1986 statistics show 71 farm

bankruptcies. That reached a low point of 12 in Ontario in 1989. It is up to 19 this year.

The point that I am making is that we are trying hard to make progress. We have put out additional funds, additional support for the farm community through interest-free advances. We are fighting the battles at the GATT to make sure that we have the international problems as well looked after as we can as one single country. We are introducing the goods and services tax that for the farm community will result in a savings in aggregate across the country of $250 million. That is a major assist for the farm community and it will help keep the Paul Cazabons of this country from going over the edge into bankruptcy.

That is an indication of the commitment that we have as a government to dealing with the problems in the farm community today.

* * *

ENERGY

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is directed to the minister of energy. The minister is fresh from a meeting with representatives from Canadian oil companies and consumer groups. Given the continued high price of gasoline and the fact that oil companies want to raise prices even higher, with the minister's blessing, adding to their soaring profits, did the minister express to the oil companies his desire to see an immediate decrease in the price of gasoline to bring it in line with the lower oil prices on the world market?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, yes, I did meet with the oil companies, as well as consumer groups. I point out to the hon. member what has been said here many times. That is in the Canadian system of accounting for the price of oil at the gas pumps, there is a 60 to 90 day lag. I have said also to the oil companies that I do not expect them to take any advantage of the situation. We discussed that with the consumer groups as well.

In fact, if the hon. member takes a look at the profit pictures, for example, today, I think it is fair to say that one has to look at more than one quarter, if he looks at the downstream side. The figures are different, for example, on the upstream side, depending on the price of crude that went into the system and the price of crude that went into the refining process.

[*Translation*]

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I have a supplementary for the Minister of Consumer and Corporate Affairs. Yesterday, the Minister of Energy, Mines and Resources gave this House the assurance, and with him his colleague, the Minister of Consumer and Corporate Affairs, that he was watching energy costs very closely. The minister is of course aware that his department has already received a number of complaints from Canadian consumers. I would like to ask the Minister whether there is any evidence of fraud. If so, could the minister inform this House of the facts in this respect?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the Bureau of Competition Policy is responsible for examining each case brought to its attention. It has a monitoring role and receives information similar to that just given by the hon. member. In fact, all members of this House have a joint responsibility, if they have the slightest impression or if they have any evidence that might lead one to believe that something is wrong or that there is a failure to comply with the Competition Act, to get in touch with the Director of the Bureau of Competition Policy and give him those facts, to avoid any public perception that there could be abuse in this area. If you have any facts, it is up to you to meet the Director of the Bureau of Competition Policy and give him the facts, and he will investigate the matter. That is his responsibility, Mr. Speaker, and I can assure you that he will do what is necessary.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the minister responsible for seniors. The minister is surely aware of the number of Canadian senior citizens who live at or below the poverty line. Indeed almost 40 per cent of single seniors live below the poverty line. How can the minister justify the imposition of the goods and services tax on simple things like

band-aids and aspirin, which many seniors take to prevent heart attacks?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, to me social justice means helping people who really need it and this is what our government is doing with the GST. We want to share the tax revenue and seniors will be protected within this process.

Our government and myself, as Minister responsible for the rights and also for the responsibilities of older people, are working to help those in need including senior citizens.

[*English*]

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my supplementary is to the same minister. We all know that visiting the doctor is quite expensive for our health care system. Can the minister explain the fact that according to the GST Information Office, a cane or safety bars bought with a prescription is tax-free, but if a person walks in off the street to buy the same item, the GST is charged.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I remind the hon. Member that essential goods will not be taxed and that purchasing power will be the same and even higher for seniors. We are listening to them and trying to help them fill their needs.

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[*English*]

INDIAN AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, in Vancouver yesterday the Prime Minister committed his government to resolving native land claims and to priorizing native issues.

On November 10, the Innu of Labrador will be marching on Ottawa to advance their land claims and to protest Canada's decision to triple low level military flights over their homelands.

My question to the Prime Minister is this. Is his government prepared to extend the same commitment to the Innu of Labrador that he extended to natives in B.C.; that is, to settle their land claim fairly and expeditiously and to deal fairly with their objections against low level military test flights.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member is using statements and numbers that are not accurate, and he knows they are not accurate.

What he does know, Mr. Speaker, is that there has been a decision taken by NATO not to proceed with the NATO tactical fighter centre. He knows that. The Innu know that. We understand, as he does, that there is an overlapping claim. There already are Indian claims, the CAM group and the Labrador Inuit Association which are being addressed by my colleague.

If the Innu of Labrador would use the dollars that the Government of Canada provided to research their claim and submit that claim to the Government of Canada, I am sure the government would look at it and take action.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a supplementary to the Prime Minister.

The Lubicon people of northwestern Alberta have been waiting for over half a century for a just settlement of their legitimate land claims. All they have received is neglect at best, and wholly unreasonable take-it-or-leave it offers at worst.

Again arising out of the Prime Minister's remarks in B.C. yesterday, when will the government give substance to the Prime Minister's words by starting to bargain in good faith with the Lubicon people? Will the government, when it does so, agree to use the Lubicons' June 1 Draft Settlement Agreement as the basis for that bargaining?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member knows of this government's commitment to deal with comprehensive and specific claims. Of course, we have been engaged in serious negotiation of the Lubicon claim, at least up until the time last June where that negotiation was suspended. I might remind the hon. member that a United Nations committee, looking into a grievance of the Lubicon, indicated that the federal government was taking an appropriate approach to negotiating and resolving this claim. Finally, I remind the hon. member that the Lubicon demand is vastly in excess

of the settlement which has been achieved with most other native communities in Canada.

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• (1440)

SMALL BUSINESS

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is to the minister responsible for small businesses. The Canadian Federation of Independent Business released a study yesterday showing that small businesses along our borders from coast to coast are being adversely affected by our tax system. The threat of the GST is going to further complicate this. What does the minister responsible for small businesses say about those tens of thousands of small businesses that are being destroyed by this government's tax policy?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would remind all of those border communities that the federal government is putting in place, under the GST, a rebate system for everything that visitors from the United States and other countries buy and take home. They get a complete rebate. We are making it very easy for them to apply for it through the duty-free shops. That is the best possible answer for our retailers.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am not sure that the minister heard my question. The point is that a baby suit or a baby jacket is the same in Buffalo as it is in Toronto, Vancouver or Montreal. There is only one thing which is different; it is the price. What ideas does he have to put forward to keep those purchases in Canada?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I thank my hon. friend and congratulate him on his appointment as critic for small business and entrepreneurship. I am glad that he is trying to be creative, especially on this important issue. What is happening here, though, is that the manufacturers' sales tax is being removed for the first time in 65 years. The manufacturers' sales tax will lower the cost of running every single business in Canada, plus foreign tourists will be getting the rebate.

More important, the CFIB made the point yesterday that it feels the level of taxation is too heavy across Canada; municipal, provincial and federal. It believes that the municipal role is even higher than the federal role. We believe in working with the border communities, as we have through our border community task force, to find ways to better market our products, to better position our products, and to help the small business community of Canada.

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IMMIGRATION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, more than a year ago it was a tough-talking government that proclaimed its intention to clear the refugee backlog with a new refugee system. Instead, what it has created is a monster that tortures claimants and their families with long delays, will eat hundreds of millions of taxpayers dollars and probably give birth to a backlog of its very own.

What is the Prime Minister doing about what has been so aptly described as his Minister of Immigration's costly flop of a program?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we have set up a mechanism which will enable us to catch up with the backlog. As our Minister of Immigration so aptly put it a few days ago, we are well within the time limit. We have taken a humanitarian approach. We review each case on its own merits and we certainly intend to go on working diligently and showing respect for applicants who need our help.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the facts and the figures prove the minister wrong; they prove the Minister of Immigration wrong. In human terms, this government has failed. What we are talking about is people who want a better life for themselves and their families. I want to ask the Prime Minister again: how is he going to have his Minister of Immigration put a stop to her dehumanizing policies and simplify the criteria to clear the backlog?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, my colleague opposite ought to read the newspapers now and then. Appearing before the parliamentary committee, Chairman Gordon Fairweather himself spoke highly of the quality of the system set up by the Canadian government and suggested that the international community might take it as an example. We

respect people, ours is a humanitarian approach and we will continue to work as we have been doing all along.

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SPACE AGENCY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. Yesterday the minister said he would soon announce the names of the architects for the space agency, as well as the government's over-all plan for a space program. He went on to say that the plan would meet with the approval of all Canadians.

Can the minister assure us that the new plan does not undermine the federal government policy and Quebec's efforts in the aerospace sector? Does it not also threaten the original development plan announced by other ministers before him?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I am sure my colleague from Longueuil knows very well that the plan we will unveil with respect to the space agency at Saint-Hubert applies to the rest of Canada as well, and that it will be an excellent plan like other similar plans we have announced so far.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I am not quite satisfied with the answer I got and I am surprised. I have the impression that as a Quebecer the Minister of Industry, Science and Technology has enough complexes to be unable to acknowledge the competence of our experts—

Mr. Speaker: I hesitate to interrupt the hon. member, but he should put his question, please.

Mr. Leblanc (Longueuil): My question— The point is that he has no confidence in professionals in Quebec. He is about to choose— Will the minister award the space agency contract to a competent Quebec firm?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, of course my colleague is not satisfied with my answer, and that is because it is not the answer he wanted to have. Still I will continue to give him answers which he feels are the good ones.

With respect to the engineering consultant firm, Mr. Speaker, my colleague found out that Quebec firms were fully qualified for Hibernia since they did land the contract for the structural foundation of the Newfoundland project.

Since the space agency is a Canadian undertaking, as my colleague would know, all Canadian firms were invited to submit tenders. I am sure my colleague will agree—otherwise he would not be as honest as he claims to be—that the government should choose the one firm among all Canadian applicants which will best meet our requirements, according to the rules.

Mr. Speaker, I am sure my collegue agrees with the principle that a company cannot be awarded a contract simply because it is based in Quebec. The job will go to Quebec firms if they are qualified to do the work, Mr. Speaker.

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FORESTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology.

The Canada-Quebec subsidiary agreement on forestry development expired last April. Right away, in co-operation with the Minister of Forestry, the Minister drafted and submitted an offer to the Government of Quebec on August 24 this year. My question is this: Why are Quebec forestry producers being ignored today by Quebec Minister Albert Côté, at a time when they desperately need this money? Quebec forestry workers are sick and tired of waiting. Mr. Minister, are you going to do something? We know that our people in Quebec are ready!

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, the hon. member asked a very good question. It is true that on August 24, the Minister of Forestry sent the Government of Quebec a proposal for negotiating a forestry agreement. The reply we received recently from the Government of Quebec was that the Government of Quebec would determine its position in terms of its priorities.

Mr. Speaker, the Government of Canada is anxious to implement agreements in the forestry sector, based on the prevailing situation in that sector. Depending on the speed with which our government receives a reply, we may have to consider options other than this particular type of agreement.

* * *

• (1450)

[*English*]

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment.

As he knows, in Saskatchewan, the Rafferty–Alameda dam proceeds without a completed environmental assessment. In Alberta, the Oldman River dam proceeds without a completed environmental assessment. In British Columbia, Alcan's Kemano II project, dams and diversions, proceeds without a completed environmental assessment.

Why should Canadians expect that Quebec's James Bay II dams and diversions will be subjected to a meaningful environmental assessment when none of the dams and diversions in western Canada are and when the National Energy Board has already approved the export licences for James Bay II power to the United States?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I believe I have already given the answer to that question.

In each case we want to ensure that the environmental concerns of Canadians are met. We are doing that in different circumstances and in different ways.

I can only say to my hon. colleague that the best way he and his party could help in this process is to support strongly Bill C–78 which is now before the House.

Mr. Jim Fulton (Skeena): I have a supplementary question, Mr. Speaker. The National Round Table of which the minister and the Minister of Finance are members has already dumped on Bill C–78 and that process. I hope he is not suggesting that we should pass it as it is. It is a giant Swiss cheese.

Will the minister assure the House that the same full public inquiry and environmental assessment process that will be applied apparently to James Bay II will be applied to Alcan's Kemano II and that these assessments will be completed and made public before construction proceeds, even if that means delay, modification, or cancellation of part or all of these projects due to environmental concerns?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I assure the hon. member that this government will satisfy itself that the due environmental review is done in a way to satisfy the public's concern about the environment on all these projects.

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[*Translation*]

TRADE

Mr. Réginald Bélair (Cochrane—Supérieur): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On June 13, he stated in the House that the Minister for International Trade would inform the Americans of this government's intention to renegotiate the memorandum of agreement on lumber, to eliminate the 15 per cent surtax. On October 11, the Minister for International Trade met his American counterpart. Could the Secretary of State tell this House, for the benefit of producers and workers in Canada's lumber industry, whether he honoured the commitment he made in June?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can confirm that we honoured the commitments we made here in the House. This is a difficult matter, as the hon. member and the House are well aware, and we will keep looking for ways to achieve the objectives of Canadian producers.

[*English*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, the industry and I have been hearing this song and dance for the last two years.

In the meantime another sawmill went into receivership last week. Another one closed before it went bankrupt. Seven mills have closed. Two thousand jobs have been lost.

Would the minister pass on to the Minister of Finance the message that this government's high interest rate policy is killing the industry? Will this government finally stand up on behalf of the industry and send a termination notice to the Americans?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I congratulate the hon. member on seeking to cast blame very broadly for this difficult situation facing that particular industry. He has asked me a particular question. I have replied to it.

I have indicated to him that we are working with American authorities and indeed we are keeping in touch with the Canadian industry. We are also keeping in touch with the provinces affected which, as he knows, are very closely involved in this file. We have not made the progress that we hoped to make, but we continue to seek ways in which we can advance the interests of Canadian producers.

* * *

THE ENVIRONMENT

Mr. Bob Wood (Nipissing): Mr. Speaker, my question is for the Minister of the Environment.

Last week we were shocked to learn that a dam near Elk Lake in northern Ontario broke, spilling what one newspaper account called 10,000 dump truck loads of old mine tailings containing cyanide, arsenic, lead and mercury, into the Montreal River. This is a major disaster for northern Ontario.

What is the minister going to do about it?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we are quite concerned with this spill situation. Through conversations with the ministry of the environment of Ontario and through press reports we see that there is extensive damage.

We have offered to be of help in the situation, but the hon. member must recognize that this is a matter for the provincial government to deal with. Should it want to indicate that this is a disaster situation then that would obviously trigger federal help in the issue.

Mr. Bob Wood (Nipissing): Mr. Speaker, many residents in communities along that particular river have been told not to drink their water. I think it is either a responsibility or a shared responsibility of the ministry to seek some kind of action.

My supplementary question for the Minister of Energy, Mines and Resources. Northern Ontario has literally thousands of old mines that have been closed down, similar to the one in question.

Is the minister monitoring these other closed mines to ensure that that kind of disaster does not happen again in the future? If not, will he commit the House to undertake such an endeavour?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the hon. member's question.

The monitoring under the mines act comes under the responsibility of the provincial government. I am also pleased that my parliamentary secretary phoned the provincial Government of Ontario, asking it to get on with monitoring the work. I appreciate the work that he has done.

I would hope that the provincial government of the NDP, having said what it said in the past about the environment, will now get on with the job and the responsibilities it has.

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HOUSING

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, my question is for the Minister of State for Housing.

In federally subsidized co-op housing projects across this country, 9 per cent of the units are occupied by high income Canadians, those earning over $50,000 per year.

This is an abuse of a program meant for low and medium income Canadians, effectively shutting out the homeless and many needy Canadians from affordable housing.

Will the minister give consideration to either a policy of encouraging high income Canadians to move out of these co-op projects or a policy of charging them market rents?

Hon. Alan Redway (Minister of State (Housing): Mr. Speaker, the question asked by the hon. member is one that is being asked by many Canadians: when so many low income Canadians are on waiting lists for assisted housing and housing dollars are scarce and understandably Canadians do not want to pay any more taxes, is it

fair that high income Canadians should occupy assisted housing?

Central to the whole question of co-op housing is a philosophy that there be a mix of low and moderate incomes in each co-op housing project. Since 1985 it has been government policy to target scarce housing funds to the core and low income needy Canadians.

I will be making recommendations to cabinet before the end of the year, and of course we will be addressing this issue.

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ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the minister responsible for ACOA.

Earlier this year the minister had this to say to me with respect to Technitread Ltd. in Glace Bay: "It is true that Mr. Dicenzo has those detractors who say that he was part of a failed operation and that was something for which he bore responsibility. If that can be proven conclusively and if there has been a mistake made, I will take full responsibility for it." I have in my possession, Mr. Speaker, two memoranda, one sent to the former minister responsible for ACOA, the Hon. Senator Lowell Murray and another sent to the present minister responsible for ACOA, in which the connection between Mr. Dicenzo's operation in Glace Bay was tied conclusively to his operation which had failed in Brantford. In fact, the conditions of the bankruptcy in Brantford were very clear. The minister was aware of them because he signed "I concur" on the memorandum.

• (1500)

Now that it is clear that this government has handed out $1 million of taxpayers' money to a shyster, is the minister now prepared to accept responsibility and do what any responsible minister does in a parliamentary democracy and resign? Is he prepared to do that?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I was thinking how much better this latest exposé would have been on television if it had the hon. member for Nickel Belt as moderator. At least we would have a bit more accuracy.

I did undertake that I would look into the allegations. I have done this. There has been no federal funding advanced since the time the hon. member brought this to my attention in committee.

I want to remind my colleague opposite that this particular matter is under investigation, that the amount of moneys advanced is not as great as has been alleged by certain individuals, that there is security available for the realization of some of these funds. I think in fairness he would want to wait until the investigation is over to see whether or not the situation is as he believes it to be.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary is to the same minister. I am not asking about an RCMP investigation, I am asking about the minister's responsibility. This matter was brought to the minister's attention by the hon. member for Churchill long before we raised it in committee. Yet $1 million was advanced—

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the hon. member would like to pursue this on another day.

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of the Hon. Marion Reid, Lieutenant Governor of Prince Edward Island.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

KEMANO COMPLETION PROJECT

Mr. Jim Fulton (Skeena): Mr. Speaker, you will be in possession of a question of privilege that I filed with you extensively in writing dated October 22. I would like to quickly summarize what I feel is the pith of the question of privilege.

I believe a series of events which concluded on October 12 of this year have violated my ability to represent my constituents and have violated precisely and specifically my freedom of speech.

If the members would look at page 13173 of *Hansard* of June 27, one will find that an agreement was reached that no changes to the 1984 cabinet guidelines order,

more commonly known as the EARP guidelines, would take place until the Canadian environmental assessment law was in place, known in this Chamber as Bill C–78.

On October 12, 1990 the Cabinet met and this agreement was violated. The 1984 guidelines were violated because Alcan Kemano II dams and diversions were exempted from environmental assessment.

My freedom of speech is violated because I have informed my constituents over many years that based on two facts; first, the June 27, 1990 House agreement, and second, the public statements of the Prime Minister, Ministers of Fisheries McGrath, Fraser, DeBané and LeBlanc, all five of whom publicly endorsed a full public inquiry and environmental assessment and review of what is known as the Kemano II or Kemano Completion Project, that there would be a full public environmental assessment and review.

This exemption of October 12 violates the ruling of the Federal Court on the Rafferty–Alameda dam. It violates the unanimous ruling of the Federal Court of Appeal on the Oldman River dam in Alberta. Now three leading federal scientists have gone public, revealing the nature of political intervention to overrule environmental concerns.

This is the same project which had to be ordered by the Supreme Court during the 1980s to release enough water to allow fish to spawn.

If agreements reached and confirmed on the floor of Parliament are without substance, and I refer to the June 27 agreement, I believe that is a violation of freedom of speech and the ability of any member, particularly an environment spokesperson in the opposition, to carry out his duties.

If the promises of four ministers of fisheries in a row, along with the promise of the present Prime Minister, are without substance, this I believe is clearly a violation of freedom of speech.

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, it is hard to find any substance in the arguments of the hon. member, when you link freedom of speech to a decision that a government can by law make.

He talks about an agreement being broken. Any person who cares to look at the facts will remember that the agreement, which the hon. member refers to, was simply that any proposed changes to the EARP guidelines order would be discussed with the special committee examining Bill C–78. That was the agreement, that if the EARP guideline order was amended, then it would go to the committee.

In this instance, the Kemano completion project guidelines order is a separate order pursuant to section 6 of the environment act and not an amendment of the EARP guidelines order.

Anyone who cares to look at this will realize that these are the facts. I submit with respect, Your Honour, in no way are the privileges of the hon. member infringed.

SPEAKER'S RULING

Mr. Speaker: The matter which the hon. member for Skeena has brought to the floor was set out very extensively in a letter from the hon. member to the Chair, for which I thank him.

I have listened very carefully to the hon. member for Skeena. I also read the letter and the material very carefully. I have listened very carefully to the hon. Minister of Fisheries and Oceans.

Whatever one might have to say concerning the events which the hon. member for Skeena has put forward to the House and been responded to by the hon. minister of fisheries, I cannot find that all of the events taken together, or any single one of them, meets that test of privilege which is diminishing, or prohibiting, or preventing the hon. member for Skeena from doing his duties as a member of Parliament.

Therefore I have to rule that it is not a question of privilege.

[*Translation*]

GOVERNMENT ADVERTISING—SPEAKER'S RULING

Mr. Speaker: On September 28, 1990, the hon. member for Shefford rose on a question of privilege concerning a statement made by the Minister of Energy, Mines and Resources announcing the launch of the Hibernia Development Project, the press release of that statement and certain news reports based on the announcement. The hon. member compared this situation to the

question of privilege concerning the advertising of the Goods and Services Tax and my ruling of October 10, 1989.

I would like to take this opportunity at the outset to thank all those hon. members who made interventions: the hon. member for Shefford; the Parliamentary Secretary to the Government House Leader; the hon. member for Kamloops; and the hon. member for Humber—St. Barbe—Baie Verte.

[*English*]

In his presentation the hon. member for Shefford described quite succinctly the situation which existed last year regarding the goods and service tax advertising campaign and accurately summarized the Chair's ruling on that very serious matter. He then went on to liken the situation in 1989 to the September 14 statement of the hon. Minister of Energy, Mines and Resources and its coverage by some of the media.

• (1510)

I would like to thank the hon. member for providing the Chair with a copy of the minister's statement which I have read very carefully.

The hon. member pointed out that certain television reports indicated that the project would begin immediately. He also stated that the premier of Newfoundland had said that Bill C–44, the Hibernia Act, had already been passed. The crux of the hon. member's argument was that the press release and the way it was reported gave the public the impression that the government was using Parliament as a rubber stamp. Parliament was being disregarded and ignored unless all parliamentarians were being insulted.

[*Translation*]

As was the case with the GST advertisements, the Chair must look at two issues. First of all, has there been a breach of privilege insofar as the press release and certain media reports prejudice the work of the House? Secondly, does this matter constitute a contempt of Parliament because it is inferred that the House is merely a rubber stamp with no role to play in the final go ahead of the Hibernia Project? I would refer hon. members to my lengthy ruling of October 10, 1989, on the GST advertisements and to the ruling of December 18, 1989, on a related question.

While superficially there may be a similarity between these issues, at their heart the two situations are very different.

[*English*]

Having read the Hibernia development press release and some of the media reports, as well as the testimony of the hon. Minister of Energy, Mines and Resources before the legislative committee on Bill C–44 and before the Standing Committee on Energy, Mines and Resources, it is abundantly clear to the Chair that there was no attempt on anyone's part to mislead this House, or to imply that the passage of Bill C–44 was a *fait accompli*. The thrust of the press release of the minister's statement was that the Government of Canada and the other parties to the project had resolved all outstanding issues in their negotiations and that agreements binding all parties had been completed. These agreements would, to quote the press release, and I am now quoting exactly the press release, "now go into escrow, where they will be held by an independent third party until they can be signed formally following the passage of Bill C–44, the Hibernia Act, by Parliament this fall".

[*Translation*]

The statement leaves no impression that legislation has not been submitted to Parliament. The reference to the role of Parliament is not ambiguous and even press reports noted that the completion of the deal was contingent on the passage by Parliament of the enabling legislation.

[*English*]

One aspect of this issue which may appear confusing to the media and the general public is the fact that work is beginning on this project before Bill C–44 has been enacted. As the Parliamentary Secretary to the Government House Leader and the hon. member for Humber—St. Barbe—Baie Verte both pointed out, start-up funding for the project from the Canada-Newfoundland Offshore Development Fund has already been approved by Parliament. This was also pointed out in the minister's statement. The hon. member for Humber—St. Barbe—Baie Verte also noted, quite rightly, that if Bill C–44 is not enacted, the project will be shut down when it runs out of interim financing.

[*Translation*]

It is contingent on all levels of government, on parliamentarians and on the media to explain to Canadians, as carefully and completely as possible, complex issues such as the funding of the Hibernia Development Project. It is my view that the minister's press release was careful (in tone and content) and clearly respected the role of the House of Commons. Accordingly I must rule that there is no *prima facie* case of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

TABLING OF REGULATIONS RESTORING BENEFITS FOR SELF-EMPLOYED FISHERMEN

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, in the name of the Minister of Employment and Immigration, I have the honour to table in the House, in both official languages, the regulations restoring benefits for self-employed fishermen and, particularly, the regulations on the 10-to-14-week variable entrance requirements governing the eligibility of independent fishermen for unemployment insurance benefits.

I am tabling this document pursuant to Standing Order 32(2) and Unemployment Insurance Act section 130(3).

* * *

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENT

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table in both official languages an Order in Council appointment which was made by the government. Pursuant to the provisions of Standing Order 110(1), it is deemed referred to the appropriate standing committee.

LEBANON

ASSASSINATION OF DANY CHAMOUN

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like to request the unanimous consent of the House to adopt the following motion, which is seconded by the hon. member for Fundy—Royal. I move:

> That this House, in this time of sadness in Lebanon over the death of political leader Dany Chamoun, extends its sincere sympathy to the people of Lebanon and that this House continues to pledge its support for sovereignty, independence, and peace in Lebanon.

The Acting Speaker (Mr. Paproski): The members have heard the terms of the motion. Is it agreed.

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am very pleased to present a petition today. The petitioners reside in Scarborough, Thornhill, Mississauga, Oakville, Toronto, and Etobicoke. They are concerned about the labelling on packaged foods.

As a result of some tragic deaths in Canada of young people who had very severe allergic reactions, the petitioners insist on having some action on the part of this Parliament to enact legislation amending the food and drug regulations in order to require manufacturers to list specific food ingredients and additives used in pre-packaged foods, in place of the general classification that is presently in place.

The petitioners are also calling on restaurateurs and food retailers to provide to customers a list of all the food ingredients and additives in their prepared foods served in the restaurants and available through the food retailers.

YOUNG OFFENDERS ACT

Mr. Pat Sobeski (Cambridge): Mr. Speaker, pursuant to Standing Order 36, this petition is certified correct as to form and content by the Clerk of Petitions which is signed by almost 5,360 people from the cities of

Cambridge, Kitchener–Waterloo, Hamilton, and the surrounding area.

These petitions were collected as a result of a rash of convenience store robberies. It was a group of citizens who co-ordinated their efforts. They have petitioned for a revision to the laws of Canada to replace the Young Offenders Act with an updated Juvenile Delinquent Act with the lowered maximum age of 13 years.

• (1520)

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour and indeed a pleasure to present a petition on behalf of a number of residents from various communities in Ontario who are opposed to the government's decision to impose a special tax on reading material. The petitioners point out that this will make Canada virtually the only country in the world that has a tax on reading material, newspapers, magazines, books, and so on. They are asking the government to refrain from this initiative.

Second, Mr. Speaker, on another topic, I have quite a number of petitions signed by people from Kamloops, Logan Lake, Clearwater, Birch Island, and Red Lake, British Columbia, who are all concerned that the government's decision to proceed with the goods and services tax.

The petitioners state that it goes against the better interests of the Canadian economy. They point out that this tax will be inflationary and, consequently, will result in higher interest rates and, therefore, lower disposable income leading to a further worsening of the recession. They are asking the government to back off from proceeding with the 7 per cent goods and services tax.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Once again, Mr. Speaker, it is my pleasure to rise, pursuant to Standing Order 36, to present yet another petition against this dastardly tax, the goods and services tax.

I add the names of these people from various points in Ontario to those from across Canada which I have already presented to this House, who ask this government to reject the proposed goods and services tax and cause the government to cease with a proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

CABLE INDUSTRY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to stand today, pursuant to Standing Order 36, to present a petition with signatures collected over the Labour Day weekend in my riding. It is concerned with the cable industry in Canada.

The petitioners point out that cable companies made an average of 32 per cent profit on fixed assets in 1988, or more than twice the level of the regulated telephone companies and that cable prices increased by 6 per cent annually between 1984 and 1988. The petitioners ask that Parliament adopt Bill C–284 and apply rate–of–return regulations on the cable industry.

GOODS AND SERVICES TAX

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I have the privilege of presenting four petitions on behalf of citizens from across Canada who—no surprise—are opposed to the goods and services tax.

The petitioners point out that it is an unfair and regressive tax and that the government is now going to be taxing reading material, haircuts, diapers, and heating oil. They pray that the tax reform system which the government would bring in would be one that taxes people fairly and puts a minimum tax on corporations and those who are able to pay. The petitioners insist that if there is an imposition of a sales tax, such as the government is proposing, that it have broad consensus and that it be reformed in such a way that it does not also become a massive tax grab.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I, too, have the pleasure of rising in the House to present a petition on behalf of a number of residents of British Columbia who are wishing to have the federal government rescind the goods and services tax.

The petitioners point out that the Prime Minister and the government has completely lost its mandate at 15 per cent in the polls. There can be absolutely no justification for implementation of such an unpopular, regressive tax.

The Acting Speaker (Mr. Paproski): I would like to recognize the hon. member for Fundy—Royal on a short point of order.

* * *

LEBANON

ASSASSINATION OF DANY CHAMOUN

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I just wanted to take this opportunity to speak briefly to the motion that was unanimously adopted by the House and put forward by my colleague from Ottawa Centre. I wanted to advise that I joined with my colleague in seconding this motion because I felt it important that we urge all the parties involved in the wrenching turmoil in Lebanon to come to grips with the root cause of their agonies.

Unfortunately, Mr. Chamoun's death is another reminder that the violence in the Middle East will continue until the main issue is dealt with in a fair and acceptable way. The responsibility for that rests with us all.

Mr. Riis: Mr. Speaker, I rise on the same point of order to which my hon. friend has just spoken. I simply want to associate myself and my caucus with the motion put forward by the hon. member for Ottawa Centre. Of course, it is in all of our interests and we hope and pray daily that sovereignty, independence, and peace in Lebanon becomes a reality soon.

I simply want to say, on behalf of my caucus, we associate ourselves with the previous comments.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On behalf of our caucus, Mr. Speaker, I simply want to say that we are very proud of our member for Ottawa Centre and that the initiative he took today had our unanimous consent. We took it for granted that there would be no debate. But if we are to have a debate, we too support this proposition. In fact the unanimous consent of the House was sought and obtained, therefore the matter is closed.

[*English*]

The Acting Speaker (Mr. Paproski): Yes, unanimous consent was sought and obtained. The hon. member was the seconder of the motion and I thought I would give him an opportunity to say a few words.

I think that that is it. We will go to Questions on the Order Paper.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, we too gave our unanimous consent so there would be no need for a debate because we fully agree with the contents of the motion, especially with respect to Lebanon sovereignty and the quest for peace. We express sympathy for the afflicted families. It should be obvious that all members of the House—including those of the Bloc québécois—support this highly commendable motion.

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QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all notices of motion for the production of papers stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

MEASURE TO ENACT

The House resumed from Monday, October 22, consideration of the motion of Mr. de Cotret that Bill C-78,

an act to establish a federal environmental assessment process, be read the second time and referred to a legislative committee.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise to take part in this debate at second reading stage, having had an opportunity to sit on a committee with other members on a pre-study of this bill.

As a former chairman of the Committee on Fisheries, Forestry and the Environment, I feel that perhaps what is already in existence is probably good enough to start with and that we should make it stronger rather than weaker. This bill is not strong enough. I just want to explain the reasons why I feel that what is already in existence is strong enough. The departments and the responsible authorities, perhaps, did not realize there are already, in existence, guidelines that have to be followed.

I had a very real experience in my own constituency which started in the summer of 1988 with an ACOA grant, of all things. No one would think that the giving of an ACOA grant would be of such importance to residents of a given community and create such a stir. This happened to be an ACOA grant for an aggregates plant in Southwest Nova. This plant grinds rock and makes gravel and entails a lot of run-off and a lot of air pollution because of the crusher and other equipment. The grant was substantial. We do not get too many grants of that size. The grant from ACOA was over $800,000.

• (1530)

At the time, I suggested that there should have been an environmental impact study on the giving of money under that grant to that particular site in view of the public concern, which was given no opportunity to be aired.

Oddly enough, the grant was announced in September. The Department of the Environment satisfied itself with ACOA action in a letter in November of that year after the grant had been approved, but before funds had been given out. I thought every opportunity should have been taken by the Department of the Environment or at least have a hearing to allow the people to state their concerns over the giving of public money for a project where there was definitely opposition.

The odd thing that happened after the little encounter that I had with the Department of the Environment and ACOA was that on May 22, 1990, an exclusion list was put forward under the existing law. We have an environmental assessment and review process, and yet we have an exclusion list brought forward by ACOA for any future funding. It presented its exclusion list to the Department of the Environment.

This is exactly what is wrong with this bill. There is not enough power in the Ministry of the Environment, or the new agency, to totally reject a project and force the Governor in Council, cabinet, to defend a decision that is contradictory to a review recommendation or where the Minister of the Environment or the agency which will be set up under this bill could totally reject the project. Then we would have to see the basis of whatever the cabinet felt was the values involved in the project in order to go ahead with funding.

That, in my opinion, is what is lacking. There are no teeth in this bill to make the government accountable for a project in which it is overstepping the bounds of its own act.

Let me tell you that the definition within the bill is very commendable. The preamble is very commendable. The purposes of the bill are commendable. You can summarize clause 4 in three parts: first, to ensure the careful consideration of the environmental effect of federal projects; second, to encourage actions which promote and maintain both a healthy economy and a healthy environment; and third, to safeguard against serious transporter environmental effects.

We have gone over the Rafferty-Alameda dam project in this House and we have seen the ineptitude throughout the whole process with the courts saying that a review should have been done before the federal government took part in that process, issued the licences or gave out any money of any type. There was no review in the court sent to the government.

Today, we have a government that is scared to take away the licence of that project because on one hand, it is scared to do it, and on the other hand, it has not followed its own process. It may have a contract, and it may have set up a review process. Obviously, something is wrong when there is this mix-up what with continuation of that dam project that we have seen in the last two

weeks, and the Saskatchewan government totally ignoring the federal Minister of the Environment.

I cannot emphasize enough that this bill does not allow the agency to reject outright a project. It only allows the agency to review a project after the project manager, the responsible authority, the government department that wants to fund that project, after that government department does the screening. That is the way I understand it. The agency can say it goes along with whatever the recommendations are, and there is no need to go further. If it says some areas are being violated, it can set a mediation or a panel review. But at no point in the screening can it reject it totally. There must a mediation or a review panel.

The whole object of this bill is to try to find a negotiated settlement to environmental concerns. I do not think that the people in Canada want to see negotiated settlements if there are real concerns about the environment with respect to projects funded by this federal government.

I congratulate them that it put in a section so that we can get into discussions with provinces as to concerns over jurisdiction and transboundary concerns with the Americans on joint projects and studies. That will happen only if those parties want to become a party to the federal process. This bill will be studied again, but there are so many things that weaken it that I truly feel that a prestudy of the bill should have been done before second reading.

Some of the things that weaken it are references to being able to set up mandatory lists of projects, exclusions to lists that must be reviewed and the criteria of what will, under regulations, be excluded. I refer to clause 5 of the bill where there are projects to be assessed. There are four subclauses to clause 5. These are the type of projects that should be assessed: a project proposed by a federal authority; a project financed in whole or in part by a federal authority, unless a project was not identified at the time of financing and the federal authority would have no power with respect to the project after it was identified; a project requiring the transfer or lease of lands by a federal authority unless the project was not identified at the time of the transfer, and a project for which a federal authority issues a permit or a licence, grants an approval or takes any other action in order to facilitate the project. These are the things which would trigger the projects that should be assessed. Then you go to clause 55 and these are the regulations. It refers to the Governor in Council. That is our cabinet or any cabinet of the day, which has a great discretion. I pick out three of the clauses that it may make regulations about.

Under subclause (b) it may make regulations about prescribing a list of projects or classes of projects for which an environmental assessment is not required where the Governor in Council or the cabinet of the day is of the opinion that the environmental effects of the project are likely to be negligible.

What is negligible? Negligible to someone in downtown Toronto may be a $1 million project. In South West Nova that may affect 120 families. That might be negligible to someone in Ottawa. It is not negligible to the people in rural Canada. It is not negligible if it is going to destroy the value of their homes, their wealth and their environment. That is what that ACOA grant did.

Under the present rules, they were able to put in an exclusion list as of May 22, 1990. I am sure no one at ACOA ever thought that their projects had to be screened. I remember, having been on the committee when that regulation was passed or prior to it being passed, that any government project had to be looked at to see if there was an environmental effect and, if so, what effect it would have in the dispensing of that money.

• (1540)

So, negligible in clause 55 has a lot of interpretation. A $1 million grant might be negligible in Edmonton, but it is not negligible in southwestern Nova Scotia. If you talk to the people in Lockeport today, you will know that $1 million will go a long way toward helping them achieve some type of stability in restoring their livelihood.

Subclause (d) prescribes a list of projects, or classes of projects, for which an environmental assessment is not required. Remember this is the governor in council, not the agency. If you gave the new agency the ability to decide this, you might feel that they were putting the environment first, rather than a cabinet formed from different responsible authorities and different departments, as under the act. This is giving it to the governor

in council, it is not giving it to the new agency. The governor in council in subclause (d) may make regulations prescribing a list of projects, or classes of projects, for which an environmental assessment is not required, where the governor in council—and remember, Mr. Speaker, we only have one minister from Nova Scotia—is of the opinion that the contribution of the responsible authority to the projects through the exercise of its powers or the performance of its duties or functions is minimal.

I wonder what it would do with Point Aconi where it was only the Department of Fisheries that had a federal responsibility in the environmental process. I wonder what it would do with the Nova Scotia tidal power project that is in existence today and kills thousands of fish. The government was told in the past that that project would kill fish. It also caused erosion. The government is going to make it into a sanctuary for ducks now that the fish are destroyed in the river. There would not have to be a review because it might be considered minimal in the sense that this government's policy as it relates to fish is anything goes.

Look at the west coast. We saw it last week. Look at Point Aconi. There was no problem with the fisheries and obviously it is a prescribed attitude of this government that if it does not affect the big, then it will not worry about the small. If the big companies are not complaining, it will not worry about the small people who may complain. We just have to look at free trade and the ads about that, even though communities are dying because of the free trade agreement.

I want to go back to the responsible authority and describe for my constituents and others across Canada what happens. The responsible authority, the departmental minister or deputy minister, or someone, because not all projects go to the ministerial level, screens the project, sends it to the agency and the agency either sets up mediation or a review panel if the agency feels there should be one. If the agency feels that there is nothing wrong with it, it can go ahead as long as there is public notice given, and public notice in Canada means *The Canada Gazette*. Ordinary Canadians do not read that gazette to find out what the Government of Canada is proposing. Unless there is someone who wants to talk about it, who wants to bring it to the attention of people, we will not know, because if it goes back to ACOA, it does not have to tell anyone who it will fund or what it will give. It is usually after the fact, after the announcement that you get the concerns of the people.

The Minister of Finance may like this legislation because he has more control over the costs of expensive review processes. I have seen expensive review processes happen. I have seen one happen in the last few years. A most qualified group of people looked at it and gave a report that was positive. Yet we will never have that type of review again. The government would not follow it because it had its own agenda.

As long as we give no power to the agency to reject totally, let the Governor in Council defend the project for Canadian people and then let the Canadian people decide if a decision of the Governor in Council is right or wrong, if that power were in the bill, I could go along with its purposes.

However, as long as they narrow the purposes of this bill so that there are no teeth in it, there is something wrong with trying to pass it when there is already a process in existence requiring every agency in the federal government, before they take part in any project, to have a review of the project as it affects the environment. If they are not going to give it teeth, I think we should go with the *status quo*, and we know the courts have said that they must have a review.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I listened with care to the hon. member's speech on this important bill. I am encouraged to hear that she also is opposed to the passage of the bill in its present form.

The deficiencies in Bill C-78 are evident for anyone who has read the bill, although there was a lot of hype when the bill was first introduced and there was a lot of hope among Canadians that we would finally have a real environmental assessment process to meet the challenges that face us in the 1990s and on.

Some of the deficiencies that are evident are in the whole process design of environmental assessment. The process must be effective in guiding and encouraging and, where necessary, forcing environmental responsibility into all stages of the conception, planning, and approval of environmentally significant undertakings.

The member was speaking as a member from Atlantic Canada. She mentioned the Point Aconi process where it is evident that the environmental assessment was not followed. There is another Atlantic Canada initiative, the whole Hibernia undertaking. There is a significant

amount of taxpayers' money going into it, and there is no test of sustainability in either one of those projects.

I would like her comments on particularly the Hibernia project involving billions, of taxpayers' dollars. We know who pays the majority of the taxes in this country. It is ordinary Canadians, to a far greater degree than large corporations. I would like her response to those two projects, Hibernia and Point Aconi.

Mrs. Campbell (South West Nova): Mr. Speaker, I welcome the member's question. I will say this about Hibernia: we in the east do not get too many major projects. This is one of them. Oil and gas in the east is perhaps one of the future areas of development, particularly if we relate it to the fisheries, what is happening on the east coast, and this government's attitude toward the fisheries.

In oil and gas there have been effective actions on the environment on Georges Bank. When it wanted to put an oil rig there or go out to look for development, the people in the area rejected it. The fishermen rejected it. The citizens in the southern end that I represent did such a fine job of opposing it that there were no rigs on Georges Bank.

• (1550)

There have been studies on Hibernia. I am not as close to Hibernia as I am to Sable Island or to Georges Bank.

If there are people in Newfoundland who are satisfied with the process that was used on Hibernia, and the government is satisfied with the process, then I cannot say—and I have not seen too many people in the east opposed to the process used on Hibernia, and I say that quite honestly—they have weighed the environmental consequences of the development of Hibernia.

I might have a different view from some of the people who are going ahead with it. I also know that at one time the Department of Energy, Mines and Resources was doing some of the exploration for oil and gas on the east coast. There were studies done about what was to be done in the event of a crisis in the water in the future: who was to pay the costs, and things like that. I know that there was a very intensive study done. I know that every segment of industry on the east coast took part as far as Hibernia was concerned.

I can agree that as a federal government or a provincial government we do not make people aware enough of just what is going to happen and whether or not our decisions are based on a full evaluation of the consequences. I say this because people do look at the jobs that can be created. That is the present day concern. The review process, the safeguards, and the safety nets were not considered in the process before.

As far as some of the fines and the penalties that were brought in for any sort of destruction of the environment by oil companies are concerned, they have been set in the process. Maybe after five or six years we should be looking at some of it in terms of the destructiveness of such a project.

I certainly am well aware that the Canadian public is never as aware as it should be until after the fact. I do not know if there is not a role in here for doing this. I welcome in this act the follow-up to anything that has been reviewed and anything the mediator or the review panel has put in; but people must know that there is a follow-up program and what their rights are under it.

As well, under this bill there is a fund for people to take action. We do not know how much money will be put into the fund, whether it is only an injunction or whether one can proceed right to the Supreme Court. I can only say that there is a lot more we can do to make people aware and allow people to weigh the consequences of a decision by cabinet, by governments, whether provincial or federal, as to their environment.

In my own province they may not follow it, but at least there is a guideline that people know each step of the way where to go to intervene, as is being done presently for development on Digby Neck.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in light of the fact that I am sure the hon. member has studied the bill with care, I find it difficult to understand how she could reach the conclusion that this was, in her words, "toothless legislation", particularly in light of the fact that those who are writing on behalf of the Dutch government—and I think that we all understand that the Dutch government has a world-wide reputation for being leaders in the field of environmental protection—wrote a letter of August 3 to Mr. Robinson who is in charge of FEARO. They said in part:

> Bill C-78, it is not the most exciting name but the content counts. We, the whole EIA-department, would like to congratulate you and FEARO with this milestone.

They continued:

These new elements will bring Canada back to the lead in EIA regulation! And give us inspiration for new developments.

That is an extremely noteworthy compliment to be received from a government for which we at least on this side of the House have a great deal of respect. With all deference to the hon. member, it would seem to me that this individual who is head of EIA department in the Dutch government is an individual whose views I would certainly hold in great esteem. I am wondering how the contrast could be so great.

Mrs. Campbell (South West Nova): Holland, Mr. Speaker, is a very small country. Its government may think that this legislation looks good and maybe it would like to have it there. However, this legislation is not as strong as the existing guidelines wherein one had to do something in order to be in compliance with them.

This time the responsible authority will screen. It will go to the agency. The agency will make a decision as to how much further it goes, but the agency does not have the teeth to reject. I do not see that it has much power.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to follow along on that point because we have seen the track record of this government when it comes to national standards. It seems to retreat from national standards.

I want to cite specifically Bill C–29 respecting the forestry act wherein we have a definition of sustainable development. That is the national standard. Presumably Bill C–29 is the national forestry standard for this country which has been put forward by this government. Time after time we have seen where the provincial standard is lower and yet our standard is subservient.

Does the member not think that without the necessary teeth to rule supreme on this act we are going to see a situation evolve across this country where we have 10, 11, or 12 different standards?

Mrs. Campbell (South West Nova): Mr. Speaker, I thank my colleague for his question. I would say definitely we will have 12 different standards. The most important point about this legislation is that if the government of the day decides that water is not important then chances are it is going to destroy the water.

It allows the Governor in Council to make the ultimate power to control the process. I think we should have the guts, the boldness, and the leadership in a country this size, with the natural resources at our disposal, to enhance our environmental review process, and to give the minister or this new agency sole discretion to make the decision as to the effect on the environment that the project will have, and then have the government have the guts to say to the people: "We are going against that."

Mr. Dingwall: Mr. Speaker, I am fully prepared to proceed with debate. However, my colleague from Prince Edward Island who represents the riding of Egmont is ready to proceed.

I would only ask, on this point of order, if the Minister of Finance would be kind enough to remain for the rest of the day so that he will have an opportunity to hear my speech first-hand. Then perhaps he would respond with some questions and thereafter we could have a good debate.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Joe McGuire (Egmont): Mr. Speaker, I am very pleased to be able to speak on Bill C–78 today, an act to establish the federal environmental assessment process.

The purpose of this bill was supposed to be the creation of binding legislation to ensure that environmental assessments are carried out on certain projects within the federal jurisdiction. It was designed to replace the federal policy on environmental assessment and review known as the "guidelines order" which has been in effect since June 1984. Under the guidelines order environmental assessments are discretionary.

• (1600)

All major projects defined to fall under the provisions of this bill will have to undergo mandatory environmental assessments. The assessment process would be transformed from a recommended course of action based on guidelines to a binding and statutory one.

However, in a decision rendered by the Federal Court of Appeal on March 13, 1990 the question as to whether or not the guidelines order was binding or discretionary became subject to interpretation. The court basically ruled that a federal minister had responsibility to comply with the guidelines order and that the guidelines order was intended actually to bind the minister in the performance of his duties and functions. This actually means that the minister is bound by the process but the result is not binding.

This decision and an earlier one handed down by the Federal Court on January 24, 1990—this was a case which involved the Canadian Wildlife Federation and the federal Minister of the Environment and had to do with the Rafferty-Alameda dam project in Saskatchewan— were landmark decisions that greatly influenced the federal government's decision to go ahead with this piece of legislation.

Many observers claim that these two Federal Court decisions have conferred on the guidelines order new powers which are fully backed by judicial precedence. It is against this new background that we have to balance and compare the provisions contained in Bill C-78.

This was a long-awaited bill. The people of Canada had been promised legislation over six years ago. They had been promised a bill which would take the oft expressed goals and ideals of the government and translate them into something concrete, into something that people could look at and say our government is really concerned. These people thought they were getting legislation of substance and with teeth.

The people of this country who are legitimately concerned with the state of our environment, who are legitimately concerned about the kind of world we are going to pass on to our children, who have listened time and time again to this government's boast that Canada is a world leader in environmental protection, are a very disillusioned group today. Their great expectations have been dashed. This bill has both disappointed and angered every environmental group in the country, including environmental law experts.

What has happened, Mr. Speaker? What has gone so wrong so as to provoke such a barrage of criticism, such a massive condemnation from individuals and groups with such expertise in environmental matters?

The flaws begin early. They begin in the preamble. An environmentally conscious public has demanded that we establish sustainable development as a major goal. This government has regularly paid lip service to this goal. Yet the term "sustainable development" does not appear. Much of the text alludes to sustainable development but we seem to have another example of aversion to precise terminology.

For several weeks the Minister of Finance refused to use the infamous *r* word; this despite the fact that everyone else in the country knew we were in a recession. Everyone including the Minister of Finance discussed the policies that caused the recession. Everyone including the Minister of Finance discussed the economic horror stories that were beginning to unfold because of the recession, yet the minister refused to admit that we were in a recession. Finally, the minister has come to grips with reality. He finally used the terminology the country was familiar with. He finally admitted Canada was in a recession and further admitted it was a good thing for this country.

Now the Minister of the Environment says he is talking about sustainable development, but he refuses to use the term. Why such an aversion to precision, to a definition of terms? The Brundtland report defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Is this the definition that the Minister of the Environment is using or does he have a different one? I would think that if the overriding purpose of this whole legislative exercise is the fostering of sustainable development, then we should at least have established exactly what it is that sustainable development means. Such statements as "ensuring that economic development is compatible with the high value Canadians place on environmental quality" and "to ensure that the environmental effects of projects receive careful consideration" are so vague and so subject to interpretation as to be virtually meaningless.

In addition to a lack of clarity in the purpose of the bill, there are further problems with some of the terms, including the restrictive definition of the term "environment" especially when one looks at the definition of "environmental effects".

Also included in this category would be the term "federal authority". Why are the commissioners of the Territories and the Council of Indian Bands not included?

The conditions set out in clause V for the review of a project are even weaker and more restrictive than the guidelines order presently in existence. The four new conditions in this bill would be, first, that the federal government is the proponent or initiator of a project; second, that federal funding is involved in the project; third, that the project is on federal land or affects federal land; and fourth, that federal approval is required, that is, a licence or a permit, et cetera.

The existing EARP guidelines order says, and I quote:

> These guidelines shall apply to any proposal that may have an environmental effect on an area of federal responsibility.

Clearly the conditions in this bill are weaker than those in the old legislation. Time prohibits a detailed analysis of every clause in the bill, but I think the point has been made. Bill C-78 does not satisfy the legislative requirements necessary to protect our environment. Public interest and public concern in environmental matters are so great at present that environmental impact assessment has to be a priority item for this or any other government.

In view of the importance and the urgency of environmental impact legislation, we cannot be satisfied with an imprecise, toothless piece of legislation such as the bill presently before us. While regulations required to implement the bill have not yet been drafted, we really have very little idea of the scope of the legislation.

When the Cabinet has such wide-ranging discretionary powers so as to say just "trust us", we do not have a legitimate bill. We are putting the onus on environmental groups and concerned individuals to create such a hue and cry on every issue that the government would have to react.

There are simply too many discretionary situations in this bill. Granted, many of the "mays" in the old guidelines order have been replaced by "wills". However, we now have expressions such as, and I quote, "where deemed appropriate" and "in the opinion of the responsible authority". These types of Cabinet discretionary powers are not acceptable in an area of such vital importance to all Canadians.

The degree and the ferocity of the condemnation of this bill is really not surprising. Highly reputable groups have unanimously rejected this bill. The Saskatchewan Action Foundation for the Environment says the proposed legislation intends to completely eviscerate the laws of Canada as they presently exist under the EARP guidelines order as interpreted in the Rafferty-Alameda and subsequent cases; and the foundation goes on to say that in fact, a comparison of the legislation to the briefing documents issued by the federal government discloses that the government is saying something and doing exactly the opposite.

The Manitoba Environmentalists Inc. says the legislation needs a major overhaul. They say "there are so many problems with this bill it needs a virtual rewrite. The intent of this bill is to return environmental assessment to yesteryear". Not a very good recommendation.

A conference of experts which met in Ottawa in early October harshly criticized the proposed legislation. Elizabeth Swanson of the Alberta Environmental Law Center said: "This legislation will undo everything that has been achieved in recent court decisions".

In addition to all of this, on Tuesday of this week the National Round Table on the Environment and the Economy, a group established by the government in March, 1989, made public its advice to the Prime Minister on how to strengthen the new environmental assessment reform package. Key to their report was an emphasis on public participation in all phases of the assessment process. Public confidence in the process has to be established and above all the government must be accountable to the public for its entire environmental assessment operation.

The evidence is overwhelming. This bill does not meet the expectations of the people of Canada. It does not measure up to the expectations of its own appointed environment and economy committee. It is so seriously flawed that it should be withdrawn and redrafted, or the government must be prepared to accept major amendments in committee. Their track record in accepting opposition amendments does not lead me to expect very much in this regard.

• (1610)

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the hon. member referred to the need to define sustainable development in terms of the Brundtland commission as an appropriate location for such a definition.

I wonder if he would address himself to the second paragraph in the bill where it says:

> Whereas environmental assessment provides an effective means of integrating environmental factors into planning and decision-making processes in a manner that ensures that present needs are met without compromising the ability to meet the needs of future generations;

Would the member not recognize in the latter part of the sentence the very definition of sustainable development as used in the Brundtland report?

Mr. McGuire: Mr. Speaker, I thank the hon. member for the question.

If the definition of sustainable development is a very important aspect of the legislation, why has the government refused to give a definition and to include that definition as part of the bill?

What is the government afraid of? Why is it so afraid to be bound to a strict interpretation which could be incorporated in the bill so all Canadians will know exactly what the government means when it says sustainable development. Why does it not put the definition in right now?

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I listened with care to the member's speech on Bill C-78. I was heartened to hear him bring up the whole issue of definitions and the importance of definitions in this whole debate. What we are talking about is sustainability. Sustainability is a term that requires greater focusing on definition.

We must also define more broadly what the term environment means. We must adopt a broader term to include the social, economic and cultural environment as well as the biophysical environment. The term "environmental effects" also has to be broadened. The definition must be included to the long-term individual, additive, synergistic and punitive effects.

I am quoting from a paper by Dr. Robert Gibson who is with the department of environment and resource studies from the University of Waterloo. I recommend this paper to the government. It is entitled *The Basic Requirements for Environmental Assessment Processes*. Although I was opposed to the bill before I read it, it heightened my opposition to Bill C-78 because the evident flaws in Bill C-78 became all the more clear having read this paper.

This is a bill that is fatally flawed. I agree with the member's assessment that it should be withdrawn, completely redrafted and brought back. It is so shot full of holes, as my hon. colleague from Skeena points out—he entitles it Swiss cheese—in his usual colourful way he has encapsulated the whole problem with the bill. It is shot full of holes and should be withdrawn from the Order Paper. Otherwise, I recommend that members such as the previous speaker vote against it.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to go back to the previous point that the Parliamentary Secretary to the Minister of the Environment made.

He brought up the point about sustainable development being in the bill. Once again this government thinks that we on this side have not become aware of the trick that it is using. There is a preamble to a bill which describes it in general and then there is the body. It is only when we have the words in the body of the bill that it really has teeth and substance.

I want to ask the hon. member's view, again, on this national standard question. I happen to believe with the words "sustainable development" left just in the preamble, when it comes to enforcing standards coast to coast, the bill does not really have any teeth. I repeat, does the hon. member not agree with me that, once again, this is going to weaken the national standards for this very important issue?

Mr. McGuire: Mr. Speaker, I thank my hon. colleague for the clarification he has just made. Canadians, right across the country, are looking for a precise definition of what sustainable development is and what is the actual contents of an environmental assessment.

In Prince Edward Island and Nova Scotia, there was an EARP recently done on the fixed link between P.E.I. and New Brunswick. This whole thing about the fixed link was begun by two ex-ministers, people who are no longer with us today, but the seeds that they have sown are still with us. The ex-Minister of the Environment was prepared to go to build a fixed link, even without an environmental assessment. This was a federal Minister of the Environment who was willing to take on a really crucial and a major project in eastern Canada, without an environmental assessment review, because he was willing to do it for political purposes.

Anyway, cooler heads prevailed and the environmental assessment review was done and reported. We were really no better off after the assessment than before the assessment. People in Prince Edward Island still do not know whether the link is an on project or an off project. What Canadians are looking for is to know when a project is environmentally feasible and when it is not.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for The Battlefords—Meadow Lake.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, today we are debating Bill C-78, an act to establish a federal environmental assessment process.

It is with some regret that I have to enter this debate at second reading. I feel the haste with which the government is moving on this bill is a little bit unusual. It really cannot be justified, given the arguments that were presented by the government some time ago.

What is set in place by this legislation must be as tight as it can possibly be. We have to ensure that we have the best possible legislation because what we set in place here with Bill C-78 will likely stand for many, many years to come. And our environment is perhaps the most important area of concern for this government and all future governments.

As a father with two small children who are going to inherit the world that we leave behind, I feel very strongly that the work that we do in the House now to protect our environment is very important for their future.

The environment must be a sincere government priority and that requires action and not just words on behalf of the government. Those actions mean a very strong and sincere piece of legislation which will stand the test of time. It takes time to make the legislation do what we want it to do. It takes time to get good and adequate legislation. Let us take that time. Let us take the time to ensure that we do it right.

I am reminded of something that I was told as a youngster by person I admire very much. That person told me: "If you do not have the time to do something right the first time, when are you going to get the time to do it over again?" In other words, we cannot afford to make mistakes at this juncture.

As I see it, the government is rushing through this legislation in the hope of completing it quickly in order to get on with other business when, in fact, this proposed legislation should receive the most intensive study we give any bill in the House. In environmental matters, Mr. Speaker, I do not believe that we will get the time or the opportunity to do this over again.

• (1620)

The existing process obviously is not working. The existing guidelines that are in place obviously are not working. The dispute over the Rafferty-Alameda project in my own province is just one example. An editorial that appeared in the *Winnipeg Free Press* of October 22, 1990 blames both the federal and the provincial governments for the problems that exist. It blames the legislation and the process that governments are following for the problems. The *Winnipeg Free Press* claims that both the federal and provincial governments are heedless of the environment and the law. I quote:

> The sight of bulldozers moving earth near Estevan in complete disregard of federal law is startling. So too are the allegations from a Saskatchewan official that his development agency has every right to move earth because the federal environmental review process is mismanaged and worse than a sham.

That is a quote from the *Winnipeg Free Press* of the day before yesterday.

The allegations that exist there deserve a reply and a public hearing. We have had a review panel in place for eight months on that project. They claim they need more time. I am not in a position to say they need more time, but they are on the spot and they know what they need. The federal government, the federal process, must allow for the proper and adequate environmental protection process to occur.

The *Winnipeg Free Press* editorial concludes:

> It may be a long time before the dust settles on the issues at stake in the Rafferty and Alameda development. The dinosaurs have made a good mess of them.

The dinosaurs being the people in charge of the environmental process federally and provincially.

The process is what we are talking about in Bill C-78, and the process is what is crucial to this whole process, this whole project.

The government earlier had set up a pre-study committee on Bill C-78. That pre-study committee was to look at the bill and what was happening within the industry within the country, and to try to make the bill the best that it possibly could be before it came into this House for second reading. Here we are at second reading on the bill and the pre-study committee on Bill C-78 has yet to hear a single witness.

The pre-study committee, though, has met. It has established memberships. It has elected a chairperson. It has hired a clerk, a researcher, and a lawyer. It has established a schedule for hearings, identified witnesses, and contacted those witnesses to establish a specific schedule for hearings.

That pre-study committee is being pushed aside by the House discussing Bill C-78 in this second reading debate. That is one of the main reasons why I regret having to stand in my place here today to discuss this bill, before we have had the opportunity to hear the testimony of the expert witnesses, and the interested and concerned groups and individuals out there. It is one of the reasons I believe that the government is acting in haste to get this legislation passed. That pre-study committee obviously was important to the government, to the opposition, and to the people of the country just a few months ago. Why is that pre-study committee not now so important?

The government has brought in Bill C-78 for second reading, ignoring that reference to the pre-study committee and it appears to be rushing to get this legislation through as quickly as possible. With its bent toward closure, Mr. Speaker, I would bet that we are going to see closure on Bill C-78, too, in the very near future.

The House and Canada want this bill to be as good as possible. There is no reason to rush this through. There is every reason in the world to hear all the evidence and testimony that is being prepared to come before the pre-study committee.

Since the government had set up a process that would ensure adequate and proper study, we should be following that process and not trying to pre-empt it. We have to do this correctly because, as I said before, we will not have the time to do it again.

Earlier today in Question Period, my colleague from Skeena, the NDP's environmental critic, raised the question with the Minister of the Environment. He pointed out that the new environmental assessment package that the government claims is the best in the world needs major changes because a top level ecological forum said so on Tuesday.

The National Round Table on the Environment and the Economy was set up more than a year ago by the Prime Minister. It includes the environment minister and the finance minister, as well as business leaders and environmentalists. That Round Table on Tuesday recommended that the environmental reforms introduced by the government in June had to be tightened, that an environmental auditor be named, and that cabinet documents on the ecological implications of government decisions be made available to the public.

The chairman of that Round Table, Mr. David Johnston, principal of McGill University in Montreal, said that the changes are needed because the government departments that put forward the proposals to cabinet will also carry out the environmental assessments. "There is a need for public confidence in the process," Mr. Johnston said.

Obviously, these are the types of things that we need to be doing and working on in the pre-study committee before this bill comes to the House for second reading, discussion, and full debate in the Chamber.

The key to all this is that this debate has to be built around the best possible bill and that we do it in a process that has been established ahead of time.

You will note, Mr. Speaker, that I had indicated that the national forum had called for an environmental auditor to be named. I know that you are a well read individual. You will be aware that the New Democratic Party's task force on the environment, in its document released earlier this year, also called for an independent auditor.

It is worth noting that an independent auditor was mentioned in the original draft of Bill C-78. Somehow, in the final version that we now have before us, the presence of an independent auditor is not in place. I wonder why. We should be discussing that in the pre-study committee.

There are lots of things that are wrong with Bill C-78, and I should just mention a few of them here before my time expires.

The bill is actually less effective than the EARP guidelines which are currently in place. The bill undoes progress made through court decisions such as the Muldoon decision on the Rafferty-Alameda Dam. That is something that concerns me personally. The measures in this bill are left up to the discretion of the environment minister, making it difficult for the courts to order compliance.

Cabinet decisions and government policies in general are exempted from the law. Although intervener funding has been promised, it is not in the legislation so can easily be withdrawn. In addition, the level of funding is certainly not yet clear, if indeed it is available.

Crown corporations, such as CIDA and Export Development Corporation, are exempted and basic questions such as which projects will be reviewed, which ones will be exempt, and what rules will apply are not answered by this bill. This will be in the regulations that can easily be changed by cabinet.

These are all very important matters which have to be looked after before we can deal with this bill effectively in the House. We all know how much the public demands that the environment be paid its just due. Those demands are made, not because of personal fears. People are not out there collecting cans, glass and newspapers because they fear for themselves. They are making these sacrifices because of their care and concern for our earth, for our children who will inherit this earth when we are not here to say to them that we are sorry. It is the environmental assessment process, the protection that we put in law, that establishes the basis on which we can judge ourselves in the future. That is why this act is so crucial, and so important to the work we are doing today.

• (1630)

With that, I would like to bring my remarks to a close. In doing so, I would like to move an amendment to the motion on the floor. I would like to move this amendment, which I have written here for you, Mr. Speaker, seconded by the hon. member for Saanich—Gulf Islands. I move:

> That the motion be amended by deleting all the words after "that" and substituting the following therefor:
>
> This House declines to give second reading to Bill C-78, an act to establish a federal environmental assessment process, because it fails to include provisions which would apply to all projects or undertakings under federal jurisdictions and it also fails to provide for intervener funding.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair will take the amendment proposed by the hon. member under advisement. Resuming debate. Questions and comments. The hon. member for LaSalle—Émard.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I was very interested in the member's remarks. There is no doubt that we share a common view and a common vision as to how environmental assessment should be handled.

The hon. member spoke of his amendment at the very end of his remarks. I wonder if I could ask him to stand and elaborate as to the purpose of his amendment.

Mr. Taylor: Mr. Speaker, thanks to the hon. member for LaSalle—Émard. The amendment basically deals with things that are not a part of the legislation which should be a part of the legislation.

The very important matter before us here, as I indicated in my remarks, is primarily that there are a number of things not in place that should be in the legislation, that we would expect the prestudy committee to put into the legislation before it is brought into the House for debate at second reading so that all members of this Chamber would have an opportunity to debate the best possible piece of legislation that could come before us. There is no question in my mind that as long as we are left with this process that we have here now, in which we are dealing with a very flawed piece of legislation, we do not have the best opportunity in which to address the matters that are of concern to all of us.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the hon. member keeps referring to what he calls a prestudy committee that should take place before the bill comes into the House at second reading. I think the hon. member will realize, if he checks his records, that the special committee to which I think he referred was struck late last June when the bill was before the House at second reading. The bill entered the House at second reading toward the latter part of June and we are now continuing that process.

I also hope that the hon. member understands that the many witnesses to which he referred in detail in a study will, as is always the case, take place in legislative committee after second reading. That has been the case with each and every bill that has been before the House, and there is no reason to expect it would not be before the House in this particular case.

The hon. member referred to the report of the Round Table. I wonder if it is the same Round Table which on October 15, 1990, wrote to the Prime Minister, and I quote:

> Dear Prime Minister, The National Round Table commends your government on the environmental assessment reform package tabled in the House of Commons in June of this year, and welcomes the proposed improvements to the federal assessment process.

Is that indeed the same report from the same Round Table, Mr. Speaker?

Mr. Taylor: Mr. Speaker, I thank the the hon. parliamentary secretary for the question.

I think the government is trying to play some games here with this prestudy committee.

Mr. Fulton: Hear, hear.

Mr. Taylor: It was obviously a very important committee when it was appointed in June. I have no question at all about the timing that the minister is referring to.

Mr. Fulton: First one in the history of Parliament.

Mr. Taylor: My colleague for Skeena indicates to me that this was the first prestudy committee set up in the history of Parliament so obviously it had been given some serious thought by members opposite and had been given a certain amount of importance. Hopefully, that was not just for public perceptions back in June. They now do not seem to put the same importance on that committee.

With regard to the games that I am talking about, Mr. Speaker, while that prestudy committee was appointed back in June, the chairperson of that committee was not selected and appointed until September 24, when Parliament came back into session here after its summer recess.

Mr. Fulton: Shame. Smoke and mirrors.

Ms. Hunter: Smoke and mirrors.

Mr. Taylor: Smoke and mirrors, Mr. Speaker. Smoke and mirrors.

The other part about this is that the prestudy committee could examine all aspects of this bill and in fact send back to the government arguments for change before that bill was introduced for second reading. It could be completely redrafted under its terms of reference.

The legislative committee would be responsible only for amending that bill clause by clause. In fact, a redrafting of the bill under the current committee structure in this House would be impossible and that is what we are left with now, if we are not allowed to carry on with the prestudy committee and then bring the bill back into this House for second reading.

I am hoping that the government is not attempting now to get debate along a certain extent and then invoke closure on this bill because, in their words, "Oh, there has been enough debate on the bill". Obviously, there has not been enough debate on the subject matter of this bill and we have to find ways to redraft this flawed and inadequate bill dealing with the future of our country and the future of the earth.

Mr. Jim Fulton (Skeena): Mr. Speaker, I compliment the member on his excellent remarks regarding Bill C–78. He is quite correct that the government is providing all of the smoke and mirrors that it possibly can in relation to this bill.

Let me paraphrase and requote one of the only witnesses who appeared before the special committee and that is Ray Robinson, the present head of FEARO, who pointed out that the existing 1984 cabinet guideline order which is in place goes further than Bill C–78 does in its present form.

How could a Parliament possibly consider passing a piece of legislation that does not go as far as the existing Order in Council? We are getting a lot of flim–flam from the government side.

We also have yet to hear from the Minister of the Environment who proclaims around the country that this is an important legislative measure. Well, where is the minister? The minister has never appeared before the standing committee on environment, has never appeared before the special committee on Bill C–78.

We are the first special committee this Parliament has ever had to redraft a piece of legislation pursuant to the recommendations of the McGrath commission which thought in terms of parliamentary reform. It was a piece of legislation that had a broad impact on the majority of Canadians. The committee should have been allowed to prestudy and redraft it, to have it come back before it completed second reading. In fact a democratically changed bill in terms of the entire principles that were within it could come back before the House, making the

job of the legislative committee easier down the road so that only the fine tuning, the final amendments, need to be done.

I would like to come back to the member who gave such an excellent speech on this and ask him whether or not he thinks that there is some kind of stunt going on here from the government side, where it will be travelling around the country saying: "Well, we had a special committee. It sat from June until October", not bothering to say it only had a chairman for two days. It did not have a clerk until after the end of September. It did not hear the first witnesses until October, never heard from the minister. Would he not agree?

• (1640)

I wonder if the hon. member would have something to say about the kind of smoke and mirrors. Now the government apparently plans to bring in closure. It not even putting up any speakers. It says say it is the most important bill before the House and it does not put up any speakers. Interesting. I would like to hear from the hon. member about all this stuff.

Mr. Taylor: Mr. Speaker, I realize that I probably do not have a lot of time to answer the eloquent question posed by the hon. member for Skeena, but as a member of this House who has been sitting in on the preliminary meetings of the C-78 committee, I can tell you that we have been working and trying to obtain the presence of the Minister of the Environment before the committee. Last week was supposed to be the week in which the Minister of the Environment would appear before the committee. I do not know what has happened to the commitment from the Minister of the Environment to appear before the C-78 committee.

If the government is not putting a lot of attention on the C-78 committee, I see no reason why the minister would be bothered with spending much of his time appearing before the committee. I think that that is another bit of evidence which indicates that the government does not consider C-78's prestudy committee to be worth what it had intended it to be in the first place, that in fact we do have a smoke and mirrors game being played here. What we should be doing is reverting this matter to the prestudy committee and not discussing it at second reading here in this Chamber until we have a different bill recommended by the prestudy committee.

The Acting Speaker (Mr. DeBlois): I have considered the motion presented by the hon. member for The Battlefords—Meadow Lake and I find it procedurally acceptable.

Resuming debate, I recognize the hon. member for Winnipeg North Centre.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to use this opportunity, rather belatedly, to congratulate you on your work as Speaker. I know you have been at it for several days now, but it is my first opportunity to wish you well in your position.

I rise to speak on this bill which is very important for all Canadians, particularly western Canadians, since we have so many projects that must be governed properly, unless there is a negative effect on the environment. I know the hon. Parliamentary Secretary to the Minister of the Environment, as a fellow westerner, feels the same way, that every step must be taken to guarantee the protection of the environment.

I was struck today during Question Period when two ministers, the Minister of the Environment and the Minister of Energy, Mines and Resources, were asked about two important environmental questions, one concerning the pollution in Montreal River, and one concerning the more generic problem relating to older mines that stretch across the Canadian shield from the maritimes straight through to the Alberta-British Columbia border.

Since all those earlier generation of mines use the tailing process and use a great deal of chemicals which we now have found to be harmful to the environment, my question is a very straightforward one, what is the government planning to do?

The vacuousness of the answers—and I use those words advisedly—reminded me of the fact that despite that on the one hand of doing all these pretensions toward environmental impact, the lessons have not been learned by this government. In fact, this has not been incorporated into its daily life.

This has caused me to reflect on what is the difficulty here with this government in dealing with the environment. I would argue, Mr. Speaker, that this government does not understand how fundamentally the rules of the game have been changed and that Canadians are getting caught in a triangle they do not quite understand. They are getting caught in a triangle between the federal government in one corner, at times being the proponent of big projects such as the Hibernia project. In another

case it is supposed to be the protector of the environment, such as in the case of the Rafferty–Alameda dam. In other cases it is just being a bystander, such as what happened in northern Manitoba.

Then in the other corner we have the provinces that are proponents of many big projects in this country. Some people estimate the total value of projects on the drawing boards in each of provinces to be somewhere in the neighbourhood of $14 billion. Obviously a tremendous amount of wealth is at stake.

In the third corner is something we never had there before in this triangle. It is the courts. We have had to keep going back to the courts: the federal government to sue a provincial government, environmentalists to sue the federal government, environmentalists and citizens to sue provincial governments, private corporations to protect their interests, and environmentalists to take on the private corporations. Through this litigation and the lack of legislation we have had no resolve, no sense of a protection of the environment. Canadians have become pretty anxious about what is going on and what is the intention of their politicians: what exactly do we want to do with the environment.

The response of this government after years of debate and an idea that has been carried out in many other jurisdictions for many different purposes is to have an environmental assessment process; that is, to set up apart from politics a way of considering the environment, a way of protecting the environment, to give Canadians some sense of confidence that the environment is going to be protected by some people who are impartial, non–partisan, away from the fights of the floor of the House of Commons and into a more and more considered process.

Unfortunately that very process is being tarnished by the weakness of the legislation that we are being presented with. The government should consider the criticism of the opposition and think twice about handing us a process which is flawed in its spirit and flawed in its detail in terms of responding to the problems that have been discussed elsewhere.

We have talked perhaps too much in this House about specific projects in our own provinces, but if we look at some of the series of projects in the west—the Oldman dam project, the Rafferty–Alameda project, the projects in northern Manitoba, as I alluded to before, the protection of water, the water system at Shoal Lake for the city of Winnipeg— we will see that all of these projects have created either litigation or tremendous conflict.

One of the sad parts of the process is not only that we have the big headlines in the major newspapers and the top stories on the national news, but we also have a lot of local interests that are hurt by this insecurity because they do not understand the intention of the politicians. I know for example the ministers from the west who represent farming communities are very sensitive to this issue. These farming communities are dry. They need water, but at the same time we do not need to pay the price of environmental damage in order to give them water.

There is a conflict, a basic economic, social, value system conflict at stake here. We just cannot impose regulations. We just cannot impose laws. We have to make sure that people have confidence that the system being set up is going to protect their interests. If it is going to be non–political, if it is going to be arm's length from the government, if it is going to be a new agency located in Ottawa, this agency should be sensitive to the interests of local communities whether they be an Indian band, a small farming community or a more isolated part of the country which we do not even perceive at first to be a community. We also have to make sure that these people understand that the interest of the legislation is to protect them, as well as to protect the environment, and that they work toward consensus.

That is why, for example, it is so important that we state publicly and in writing as part of the legislation that the people who are going to be intervening are supported by the federal government. The cost of intervention for people from a small town is tremendously expensive, particularly when they do not have a lot of experience in these interventions and they have to buy high–priced experienced help who have appeared in front of these panels and appeared in front of other semi–autonomous bodies. If they do not have that resource, how can they participate? If they cannot participate, they are going to get hurt. If they get hurt, they are going to resent the federal government.

Instead of building up confidence, this type of legislation will do just the opposite. It will pull away confidence and make people feel that somehow or another they will be made more vulnerable to the whims of a federal government.

Why do we need a strong federal government to play a role here? In some respects it is one of the odd curiosities of what is happening in this debate in the last three or four years. It is the reason why we have edged toward this piece of legislation. As weak as it is at least it is the first step. It gives something to debate. We are sure the minister will contribute to the various committees and state in detail what is wanted. We have reached this stage because ironically the federal government has refused to act. It is the courts that have produced some action on some projects in western Canada.

• (1650)

The reason why we turn to the federal government is that we have come to realize that the provincial governments are proponents of industries such as the hydro-electric industry and of the biggest projects ongoing in Canada. As a result, it is in their interest to get projects on stream as quickly and cheaply as possible. They are not prepared, from anything that we have seen, to protect the environment.

One of the interesting quotes used in the House—and some members may remember this earlier in the debate—was the quote of the member for Winnipeg—Transcona. He said that he was very sorry that the NDP provincial government in Manitoba, in the mid-eighties, did not see the damage that to be done by the Rafferty-Alameda dam.

It does not matter which party is in power. There are dangers involved which have to be addressed for every party. No party, no matter what is its claim to fame in this House, has a provincial wing which does not understand the importance of the environment. It is important that the member recognize that his brothers at the provincial level are just as likely to make errors as those of another party. I am sure he will be vigilant in watching the provincial Government of Ontario to make sure it does not make similar errors; for example, that it will respond quickly to the crisis in the Montreal River area.

The provincial governments are taking this in any way, shape or form in a passive fashion. The provincial governments have been meeting to discuss the environmental review process because they know there is a lot at stake for themselves.

For example, on Thursday, April 19, representatives from Alberta, British Columbia, Manitoba, Quebec, Ontario, and Nova Scotia met in Vancouver to develop a strategic response regarding the proposed federal Environmental Assessment Act and to try to see what moves they should be making to prevent the federal government from establishing greater authority in this domain. They asked the province of Manitoba before the election—and so it is not being discussed in a public fashion—to prepare a memo organizing the provinces against this federal intervention. What they wanted to try to establish is that the provincial jurisdiction must be domain and that the act must contain provisions for joint reviews based on a formula in which they could participate and which they can determine.

What the provinces have been looking for and what we must guard against when we are dealing with them—and hopefully they will come forward as witnesses in front of the House of Commons—is a grandfather clause for projects that are either under way or have previously been reviewed by a provincial process. In other words, there is a basic conflict that provincial governments are not willing to accept federal authority. We must make sure that the federal authority which is being established is tough and determined enough to establish environmental rules that will withstand the pressure from the provinces.

If this process were in place in 1984 or 1986 when this particular government started to discuss it, would the Rafferty-Alameda dam project have happened? My response is that this process is so weak that that project would have still happened. The reason why I say that is that in the end the minister still has the ability to intervene at the last minute and accept or reject the recommendations from this agency. This is not arm's length in the sense of being independent and being able to say for sure this project cannot go. This is in fact a very weak use of the words environment assessment.

Another issue that needs to be addressed when looking at this legislation is what is going to happen in the international domain. We find the legislation is silent on this issue. Canada spends billions of dollars a year offshore in Africa, Asia, and the Pacific Rim. Through CIDA and other development agencies such as the Petro-Canada International corporation governed by External Affairs, it gets itself involved in a number of

projects, but it does not apply environmental assessment criteria to these projects; nor does the legislation speak to it.

The legislation allows Crown corporations to set their own criteria and allows the Canadian government offshore to negotiate or to ignore the very guidelines it applies to itself in this country. Our party considers that to be a major flaw in the efforts being made here.

There have been recent discussions by Probase International, a Toronto-based research organization interested in international problems. It reviewed, for example, the Three Gorges project in China, which will be the biggest hydroelectric dam project in the history of the world. Canada has been very active through engineering firms and through CIDA, in funding the engineering work.

Essentially the proponents of this project came forward with a very strong recommendation that the project should continue. Probase International went in with an impartial group of international experts. They looked at that project and for every set of recommendations, for every chapter, they had point after point after point of what had been missed by the original proponents.

This goes back to the point that governments cannot be both project proponents, actively trying to encourage a particular project and at the same time saying: "We will evaluate our own work". They cannot have it both ways. There is an obligation to the Canadian people to set up a more independent process.

This government has failed in this legislation to protect in any way Canadians from the ambitions of provincial and federal governments.

For example, in clause 22, the responsible authority is given wide powers to ignore or terminate the environmental review provisions of the act. The minister, who is the final court of appeal under the act, is given similar powers under clause 23. In clauses 34(a) and 34(b), the opinion of the responsible authority is the only factor necessary in deciding whether or not a project should proceed. As we see, this act is no more than a toothless paper tiger.

We cannot continue to exploit the environment at the rate at which we have done so in the past. Jobs alone, although jobs are so important particularly in small communities, cannot be the only priority. We have to balance our concern for economic growth with the need for our physical survival and the health of our planet.

To my colleagues on that side of the House the phrase "sustainable development" means a licence to push industrial exploitation to the very limits. We can see by just how much failure there has been in Winnipeg itself with the institute. We are still waiting to see it actually get off the ground and be operational in a way that is going to mean something, not only to Canadians but to people throughout the international community.

There are many other points which are weak in this legislation. I am very disappointed in the way the government has introduced it. The government had an opportunity during the summer to build up a coalition of support among well meaning and interested Canadians, people who would give them their time and thoughts, people who would encourage them to strengthen the legislation.

There is among Canadians in every community and in every walk of life a will to protect the environment. It is one of the last areas in which we can prove ourselves as politicians to be of goodwill toward this planet. We fail people in so many other ways and, if we continue to fail them in the area of the environment, it will be the blackest of black marks against this Parliament.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have been following this debate with considerable interest. It has become obvious that Bill C-78 is dramatically flawed.

I want to start out by saying to the hon. member who just spoke that I appreciate many of his remarks. I want to ask him what his thoughts are on this piece of legislation when applied to a very specific situation. In my riding, which borders on the Fraser River, we have had the CN Railways expropriate all of the foreshore and is in the process of putting in an intermodal yard.

• (1700)

It will end up being the biggest rail yard in Canada. It is being built right across the last freshwater marsh on the lower Fraser River. No environmental assessment has been done. It is jeopardizing the wildlife. It is jeopardiz-

ing the quality of the water on the Fraser River. It is jeopardizing our valuable fish resource, and there has been no environmental assessment done.

We must recognize that CN is a tool of the government. It is part of the government system. It has ignored the environment. Once it got away with it, now other developers are starting to say: "We want to develop on that marsh. If the government can get away without any environmental assessment, why can't we?"

I would like the member's thoughts as to what changes would be necessary to this bill to ensure that if this legislation was in place, that developments such as this could not take place, and that the minister who would be acting on behalf of the CN in a conflict of interest situation could not intervene and determine when assessment would take place, could not stop an assessment from taking place, could not overrule an assessment.

What changes does he see are necessary to Bill C-78 to bring it into line so that we could go back to a community like mine and say: "We are going to pass an environmental bill in this Parliament that will protect the environment in Surrey, specifically the Big Bend on the Fraser River?"

Mr. Walker: Mr. Speaker, I thank the hon. member for his question. I think the hon. member picks out a fatal flaw in the legislation, that is, for some reason Crown corporations such as CN are not necessarily subjected to the same conditions as private corporations. It is something to be negotiated between the corporation and this new agency. It is ironical that in some respects we have more control over our private corporations than a Crown corporation. Perhaps in its oddball way that is why it is trying to privatize things.

The point about changing the legislation is, first, to subject the Crown corporations to the same rules and regulations as the private corporations. There is no reason to make them exempt. They are not special in that sense.

Second, I think that having the minister's discretion at the end of a process—he may consider it being at the end of a rainbow and makes it at the end of the Cabinet. So, Mr. Speaker, you are subject to the political constraints of a government at a particular point in time. What we should be looking for is if for some reason that is rejected, if that does not end up in Cabinet for debate, for political shenanigans, it ends up somewhere else.

I think that the House of Commons committee should look at that as one of its primary concerns. Where can you take it if there is a disagreement between a minister and an agency? Mr. Speaker, you cannot just take it into Cabinet and let it have that final say. You have to do something more independent.

Third, we are all regional politicians, so this has a little self-interest attached to it. I am wondering what the merits are of automatically assuming this agency should be located in the National Capital Commission area. Mr. Speaker, the closer you are to the environment, the closer you are to dealing with these people's problems and the more you are part of that community, the more you understand their sensitivities.

One of the problems we have had in building up a more sensitive central government is that when we locate things in Ottawa, people lose their sensitivity to the region. So a project like that which is just a little spot on the map, if agencies were located closer to those little spots on the map, those problems would become more alive.

For example, just think if an agency was out in Estevan, how differently the Rafferty-Alameda dam project would have unfolded.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, this is a comment to the previous questioner from Surrey. He was making an interesting point about the Fraser River. I do care a lot for the Fraser River, although I am resident further north on the river than he, but as he explained—and he must be a plumber—everything runs downhill.

Mr. Karpoff: We get a lot of your sewage.

Mr. Worthy: It goes past Surrey and that, of course, creates a real concern for the residents of the lower mainland.

Mr. Karpoff: Baloney. Totally wrong.

Mr. Worthy: His discussion about the habitat on the Fraser has to be corrected. In the lower Fraser area, the Fraser River Estuary Management Program, with which I am sure the hon. member is very familiar, has evaluated all the habitat and industrial lands in the lower

Fraser delta area. They are operating on a no net loss basis.

I am sure the hon. member would not want the people across Canada to feel that the people on the Fraser River will allow developments which will interfere with the habitat. In fact, the wildlife, the fowl, the animal and fish habitat on the lower Fraser is increasing every year, not decreasing.

Mr. Karpoff: Mr. Speaker, on a point of order. I am sure the hon. member who just spoke does not want to leave the impression that there is no deterioration. Have you been to Surrey? Have you seen the intermodal yard? Have you actually gone and looked at what has been done on the far shore?

An hon. member: That's not a point of order, that's a speech.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order! Does the hon. member for Winnipeg North Centre want to respond to the comments made by the hon. member for Cariboo—Chilcotin?

Mr. David Walker (Winnipeg North Centre): Yes, Mr. Speaker.

[*English*]

That is an interesting point and perhaps the acrimony that broke out for a few minutes just shows how tender feelings are about the environment. I am sure the member feels concerned and yet feels he would do everything he can to encourage the minister through the parliamentary secretary to look after this issue in greater detail. I am sure the member would love to see that everyone in Canada appreciates just how open this process is and, given the fact that the member from the area does not understand this, perhaps the three of them can contribute to the environment a lot more wholesomely.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, a quick comment on the issue. The environmental assessment review process related to the P. J. Wooding ferrochromium undertaking in Port Hardy provided absolutely no intervener funding. The people who had to attempt to analyse this project had no money whatsoever. They were unable to hire anyone. They all worked full time. There was no money for telephones, faxes, or anything else. Would the member not agree that this kind of a handicap is an enormous flaw, and a failure to guarantee intervener funding is an enormous flaw in the bill?

On the other side, the government was prepared, through western diversification, to provide Wooding with about $10 million. B.C. Hydro was willing to put in several million dollars. On one side was an enormous amount of support and capital, and on the other side, were the concerned citizens who have to live with the mess down the road, absolutely nothing. This is a major flaw and an inequity in this bill that has to be remedied.

The Acting Speaker (Mr. DeBlois): The hon. member for Winnipeg North Centre, very briefly please.

Mr. Walker: In ten seconds, Mr. Speaker. Its strategy is incomprehensible and the fact that it does not fund interveners is absolutely unreasonable.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I welcome second reading debate today on Bill C–78, which represents, at last, a small sign that this government is beginning to address environmental decision–making. New legislation is this area is badly needed and I hope that this bill, flawed as it is, will begin the discussion necessary to bring this legislation to fruition.

Presently, environmental assessments are governed by the EARP guidelines order. Bill C–78 represents a Tory election promise of 1984 to update this process. This promise had been conveniently been forgotten and now, due to public and court pressure, is finally being addressed.

• (1710)

There are some positive elements in the bill but there are many other aspects which are deeply flawed and I would like to address some of these today.

I am pleased that the bill introduces mediation, financial assistance to participants and a follow–up program into the environmental review process.

Yet, Mr. Speaker, there are several aspects of this legislation which give me great cause for concern. I wonder, for example, at the resistance of the government to mention the words "sustainable development"

anywhere in the legislation and what that means about this government's commitment to this principle.

As well, I have problems with the degree of cabinet control over key elements of the review process and the failure of the government to specify the regulatory powers which will accompany the legislation. How these regulatory powers are distributed, who is responsible for what in the review process, what projects will and will not be subject to review, these and other questions are at the heart of the bill and will determine how serious the government is with Bill C-78 when it comes to environmental assessment.

The introduction of mediation into the review process is an encouraging step. When opposing parties in an environmental dispute can sit down in a less adversarial situation and come to a decision quickly and efficiently, we all win.

When a project is small or the environmental consequences are primarily local in nature, such as in the case of a municipal landfill site, a way of ensuring speedy and cost-effective dispute settlement is required. In these cases mediation may well be the ideal process.

Under the EARP guidelines order there is now no way to differentiate between large costly projects and more minor localized ones regarding environmental reviews.

Bill C-78 proposes a tool for accomplishing this and we will have to examine it more closely just to see how effective it is.

However, I have serious questions regarding the criteria which the minister will use to determine which individuals or groups will participate in the mediation process. How will these participants be chosen? Who will determine those that will be rejected, and what kind of appeal process will there be?

We must also ensure that the minister gives mediation a fair chance at success. Section 25(a)(i) indicates that the minister will decide beforehand whether mediation would be successful or not.

Regarding financial assistance to review participants, many have heralded it as a great improvement to the environmental review process. I agree. Bill C-78 provides for funding for each review even though the levels of this funding may vary. Hopefully this measure along with the mediation process will ensure the legitimate environmental concerns are adequately heard. Yet there is much missing in this aspect of Bill C-78. How much money will be committed to this is not known because, unfortunately, the details of the financial assistance program have not even been submitted to the Treasury Board.

A follow-up program is something which has been sorely missing in the present environmental review process and I welcome its addition. Under section 34 of Bill C-78 the responsible authority or the departmental minister takes the review report and decides whether a project will be carried out or not. If a project is to be carried out the responsible authority will have to design, inform the public of, and arrange the implementation of a follow-up program which would ensure the compliance and the enforcement of decisions regarding the project.

It makes no sense to me, though, that the final decision and the follow-up program is to be left solely to the discretion of the responsible authority and not the environmental minister or, better yet, an arm's length agency.

In the bill which claims to recognize federal responsibility in environmental assessment through the environment minister, it is strange that first, the environment minister is not obliged to press for a full panel review and, second, that the powers of final decision, implementation, and enforcement of review recommendations seem to be out of the environment minister's control as well.

The present EARP system allows individual ministers to follow their own agenda, even when the agenda varies from the environmental needs of Canada. I do not see how Bill C-78 changes this at all.

We are all familiar with the problems resulting from the present process which bestows to individual ministers the power of decision regarding environmental assessments. It is these problems which Bill C-78 is supposedly designed to address.

For example, the federal fisheries minister is responsible for the environmental review process when a proposed project may impact on water and fish life. This ministry has recently decided that the Ashfield landfill site proposal in Inverness County in my riding must go to a full panel environmental review. DFO has taken over a year to come to this decision, thus placing proponents.

and opponents of this landfill site and indeed the residents of all of Inverness County in limbo.

The people in Antigonish County, who are now seeking a landfill site or a way of disposing of their solid waste, may well have to wait a similar waiting period and suffer similar uncertainty with the same ministry regarding their plans to find a new disposal site for their municipal waste. This is causing a great deal of concern locally in my area.

This bill claims to eliminate this kind of problem by placing the power with the environment minister. The bill seems to mandate the environment minister only to initiate reviews, while the minister responsible for the project holds powers which include determining whether a full review is necessary, making the final decision, and overseeing the follow-up program. There does not seem to be any clear obligation for the environment minister's involvement in these latter stages.

This leads me to question the amount of control which the environment minister will actually have. The level assessment, final decision, and the follow-up program are instrumental to a review's authority. This severely weakens the impact of this legislation. Indeed, even Mr. Raymond Robinson, Executive Chairman of FEARO, admitted on October 4 to the committee pre-studying Bill C-78 that "having the minister responsible deciding what level of assessment his project should receive—is very much like having the fox in charge of the hen coop."

This is an aspect of the bill which I hope will be addressed and corrected during committee stage.

In addition, I have many concerns about the philosophy behind the bill and about the bill's effectiveness.

Although the government claims to support the principle of sustainable development, these two words are not mentioned anywhere in Bill C-78. The government attempts to explain this omission by saying that sustainable development is a concept that is very difficult to define precisely.

How can this government claim to support a principle which it admits it cannot define in its legislation? I believe this is a cop-out by the government.

Sustainable development is, in fact, definable. The Brundtland Commission defined it. Even though Bill C-78's preamble quotes directly from the Brundtland report's definition of sustainable development, the government did not take the next logical step and use those two important words. This seems to indicate the government's weak commitment to the principle of sustainable development.

Instead, the government has chosen to achieve an appropriate balance between the economy and the environment and to make sure that the two are compatible.

The government appears to view the economy and the environment as being fundamentally at odds. This is a dichotomy which in reality is quite false. Sustainable development is a principle which sees one interest, that of the economy, flowing from and benefiting the other. That is to say, the environment and the economy must be interlinked and are not fundamentally at odds.

New models of development must be created since the old ones are just not working. As long as the government legislation that we have before us continues to reflect this archaic mind-set, that the environment and the economy are forces at odds with one another and must be reconciled, no real progress will ever be made in achieving a fully sustainable future.

• (1720)

The regulations referred to in clause 55 of Bill C-78 constitute the heart and the guts of this legislation. They ultimately will decide the scope of the bill's implementation and the effectiveness of this legislation in practice. Unfortunately, these regulations have not yet been specified and, if they have, those specifications have not been released. As a result, I have serious reservations about a piece of legislation which has been introduced without our knowing how the key regulations governing its implementation will work.

Among these regulations, which are mentioned in Bill C-78, are various lists upon which the bill depends on for its very implementation. There is a mandatory study list which will include classes of projects having significant adverse environmental effects. These automatically fall under review.

There is also an exclusion list which will contain projects or classes of projects which will automatically fall outside review.

As one of my colleagues stated previously, these provisions are big enough to drive a truck through. What about the Point Aconi project in Cape Breton? In which category does it fall? The federal fisheries minister has just decided it will not undergo a panel review. Would this project be included under the mandatory study list?

The Governor in Council will itself determine the contents of these two lists. It has yet to present them to Parliament or to the public. Once again, how can we properly assess this legislation without being advised as to the contents of these lists?

As well, these regulations can be changed without having to bring them before the House. That is another weakness in this bill.

We have been told that the government plans to lay before the legislative committee a list that would constitute the draft of these regulations. That is not good enough. This is a part of the legislation that determines how it will work and we should have an indication now of how these regulations will operate.

Why has the government not provided these details lists by now during public and parliamentary debate on second reading? The fact that the government cannot produce one in time for this debate does not bode well for the future. There seems to be a lot of internal lobbying going on, as various ministries presumably fight for their particular interests within Cabinet.

Although not part of the regulations, clause 5(b) presents another gaping hole through which projects may evade environmental review. Bill C-78 claims to ensure that all projects with federal involvement will be subject to an environmental review. Clause 5(b) excludes tax breaks aimed at particular projects as a reason to refer these projects to environmental review. A government may choose to provide tax incentives to projects, rather than devising financial subsidy packages so as to avoid environmental reviews on particular projects. This provision is a major flaw in the bill which, if the bill passes second reading, will have to be seriously amended.

The lack of specific regulations and the Governor in Council's complete discretion in formulating them brings to light another concern which I have about Bill C-78. In this bill, environmental screening, mediation, or review panel reports are merely advisory. Bill C-78 gives the responsible minister, and apparently not the environment minister, the power to accept or reject the recommendations of these reports.

Again, to quote Mr. Robinson of FEARO: "There is certainly no point in having a fairly elaborate process of assessment if indeed we are not going to pay attention to those decisions."

I find this disturbing, considering the track record of the present government regarding environmental matters.

Mr. Kaplan: It is disgraceful.

Mr. LeBlanc (Cape Breton Highlands—Canso): It sure is disgraceful.

Mr. Marchi: How disgraceful is it?

Mr. LeBlanc (Cape Breton Highlands—Canso): It is unspeakably disgraceful.

To assert that the government will take environmental reports and make the correction in light of public opinion is not certain in the least. It is obvious from the government's pursuit of the GST debate that public concerns mean nothing to the government between election campaigns.

Today, I have tried to outline some of my concerns regarding Bill C-78. The more I listen to this debate, the more I realize that the government should go back to the drawing-board before presenting this debate. It should present a more thorough set of regulations to accompany this bill and rethink many of the fundamental aspects of the bill. That is not to say that legislation is not required and the *status quo* is not acceptable. Legislation in this area is overdue and urgently needed.

The government has finally brought something forward, flawed as it is. I hope that this discussion will begin a process of coming to grips in Canada with a comprehensive and effective means of reviewing small and large environmental projects in a way that is effective and that allows for the full environmental consequences of projects to be taken into account.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, my comment and question to the previous speaker concerns the environmental review process and the ability to assess social impacts. I refer again to the case of the P. J. Wooding ferrochromium proposal in Port Hardy, British Columbia in which the government failed

to take into consideration impacts on native communities in the area.

That failure to address an absolutely critical social impact in British Columbia could in fact lead to some very serious reactions on the part of those communities. Again, there have been discussions about blockading highways and making very serious stands because of the failure of the government in its environmental review process to consider the social impacts, in this case particularly, on aboriginal communities.

Would the hon. member be in a position to support the proposal that has been put forward in the amendment of the New Democratic Party, to refer this to a committee study? Given matters such as the refusal to consider the Fort Rupert Indian Band concerns, the concerns of the Nimpkish Band, and the Quatsino Indian Band in the social impacts in their particular area, would the hon. member be in a position to support referral of this particular legislation to a study committee?

Certainly, there has been precedent during the term of the government to do so. I recall when the present Speaker of the House was Minister of Fisheries. He, in the middle of a second reading debate, thought it would be very useful to refer an amendment to the Fisheries Act to a study committee. That study committee came back, and the bill proceeded on through the House.

Would the hon. member support it and, indeed, would his party be prepared to support the amendment that we put before the House?

Mr. LeBlanc (Cape Breton—Highlands—Canso): Mr. Speaker, I thank the hon. member for his question and I must apologize for not knowing the details of the project in British Columbia to which he is referring.

The point that he has raised about the social aspect of the environmental concerns, particularly on native reserves, is a very good one and clearly points out one more difficulty with this legislation.

He is addressing an aspect of the environmental review process and an element of environmental impacts of large projects, namely their effects on society and on the culture and way of life of our native people. We cannot afford to overlook that, certainly not after the situation that has taken place this summer and with the ongoing concerns raised by the Cree, for example, in Quebec over the James Bay hydroelectric project.

The problems with Bill C-78, as well as some of the other concerns with the lack of specific regulations to accompany this bill, lead me to suggest that his concern and that of his party about referring the bill to a study committee are well taken and perhaps should be seriously considered.

• (1730)

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I congratulate the member. In this House which all too often operates on a pure adversarial basis, the member has given us a very well balanced presentation. I think it is all the more important to understand his very deep criticisms of the bill given the fact that he really did attempt to address the bill in as objective a way as possible.

One of the underlying theses, of course, of any piece of legislation is that the government possesses the requisite national will to really implement a fully and, in this particular case, a truly revolutionary policy in terms of environmental awareness.

I wonder if he would comment as to whether he thinks this government has that kind of national will.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to be able to answer that question. I thank my hon. colleague for his question.

Of course this element of will is one which we, on this side of the House, have been trying to assess from this government ever since the last election. We have seen that the government has a lot of will, but we wonder about the direction in which that will has been placed.

It has demonstrated a great deal of will to ride roughshod over Canadians when it wants to get its tax agenda forward and on economic policy, but on environmental matters we have seen delay and delay. First of all, we have seen a green plan agenda, which is merely questions and no real actions. We have seen a Bill C-78, which is long overdue, but still is weak in many areas.

I guess the real test of a government's will is its actions and its commitment, its concrete actions. So far what we have seen is a fair bit of good rhetoric and polite words to indicate that the government is serious about environmental concerns, but we have not seen really concrete

actions. This bill is the first acid test, really, of a government's concrete commitment. I think that to be fair, it is somewhat short of perfection.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, the hon. member fails to say that this bill will pass the test of public scrutiny. I would like to help the hon. member by pointing out that the government believes that public participation is essential to achieving an appropriate integration of economic development and environmental protection. This act will specifically improve public awareness and participation by early notification. For example, proponents will be required to inform the public through advertising and other appropriate means of major project proposals at an early stage of the assessment process. Public comments will be invited at that time.

Then there is the public registry which will be established for each project to facilitate access to information on that project.

As well, there are the public hearings. Review panels for major projects being assessed will be required to hold public hearings to allow the public to present their views and recommendations.

As well, there is public input. Public comments must be considered by the responsible authority before making a decision on a project which has undergone an environmental assessment.

As well, Mr. Speaker, let me point out that reports and follow-up are to be made public. When the minister receives a report from a review panel or from a mediator, it must be made public. Similarly, the government response must also be made public. May I also remind the hon. member of the annual report. The minister will be required to report annually to Parliament on the implementation of the process. Then there are the regulations, including those that establish mandatory study lists and inclusion list, that will be published in draft form for public consultation.

Finally, Mr. Speaker, may I remind the member of the funding. Participants in public reviews or mediations will be eligible to apply for financial assistance. I would be curious as to whether or not the member remembers this.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, all of those things are what one would expect as a minimum in this day and age from a proper environmental review process. We would expect all of those items which the hon. member has mentioned. As far as the funding, we have to wait and see how much the government is prepared to commit to intervener funding and whether the groups that are affected by projects will be able to make their case known and will have the requisite financial assistance to be able to make their cases known. until we have that information, which we do not have now, there is no way we can assess whether this government is serious.

Basically the litany of public participation opportunities which he has provided, and it is a good list, is really what we would expect from an environmental review process in Canada today. But I think we can count on more from this government.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to rise again to continue debate on Bill C-78. I want to focus my remarks at the outset on the remarks of my colleague for The Battlefords—Meadow Lake when he talked about the undue haste of this government.

What we have seen with the process of the prestudy committee that has been established, and now we are into second reading debate on this, is a real treachery. Canadians who are watching this debate and wondering what is going on here should know that what is going on is the government is trying to rush through this legislation.

I know there is an impatience among Canadians for real environmental assessment review legislation. They must be curious as to our opposition to this legislation. We have to get it right. Canadians are impatient. They want real environmental assessment review, but this Bill C-78 is not it.

As the associate critic for environment for my party, I have reviewed the legislation at length. What I see in the legislation is a real smoke and mirrors game. It would indicate from the briefing notes that this was exactly what Canadians wanted, that it is part of the over-all plan of this government which they say, and which should be commended, that there will be a real priority given to the environment.

The bill was first introduced on June 18, 1990. It was there to address longstanding dissatisfactions concerning environmental assessment at the federal level. But it was

also the product of a likely internal struggle within government between advocates for a more effective environmental assessment, and opponents who feared their interests and discretionary authority would be reduced.

So we have the classic struggle between those people who want the legislation strengthened and those proponents of projects who are saying now: "Listen, you are going to hurt us economically if you make it tough for us to proceed". This is what we are doing here. This is why we are debating this, rather than talking about a prestudy with all of the resources of government behind that prestudy.

This is why the government is now trying to push this through, because it has opted for the proponents. It has opted to see that the economy is going to proceed. It is still of the mindset that the economy and the environment are at two polar ends. It does not yet see that in order for us to advance economically and environmentally, those terms, environment and economy, must be integrated. Bill C-78 is shot full of holes. The government wants to push it through in the wrong-headed approach of advancing the economy.

As my colleague for The Battlefords—Meadow Lake pointed out, we have to stop thinking in the short term environmentally. We have to stop thinking in the short term economically. We have to think long term. It is not just this generation. It is not just these projects that have been in the news these past few weeks. It is the economy and the future of our world. As a mother of teenage children, I hope to be able to make this country and this world a better place environmentally for my children. That is one of the motivations that brought me to Parliament. I felt that I could make an impact. In opposing this legislation, I am already doing that.

• (1740)

We in the New Democratic Party have been strongly critical of Bill C-78. That is one of our jobs as an opposition party, to oppose what we see as flawed legislation. It is also one of our responsibilities to give alternatives. That is too often under-reported in the media because we, too, have ideas. In today's Gallup poll, it mentioned that if an election were called today perhaps the NDP would have the responsibility of being the government. We are prepared for it. We have the ideas, we have the commitment. All we need now is the support of Canadians in order to implement those ideas.

I want to turn the focus away not just from criticizing Bill C-78, because there is a lot to criticize, but I want to put forward some principles for alternatives. This is the positive approach of being an opposition party. We have the ideas.

I will read from a paper by Robert B. Gibson, head of the Department of Environment and Resource Studies at the University of Waterloo. He challenges us as legislators to look at environmental assessment in an entirely new way. I want to read some of this into the record because these ideas are worthy of our intention. In his opening paragraph, he states:

> A curse of sorts must hang over environmental legislators. —the legislators now face a world—

We have tried it. We have tried the regulatory approach and other approaches.

> —in which environmental worries are deeper and more extensive than they were two decades ago, where public mistrust is greater and critics more convinced than ever that fundamental changes are needed in the way we treat the environment.

What we have to do is change our mindset. We have to stop looking at the environment as being isolated from the economy. There too the environment and the economy are linked. If we degrade the environment, we degrade our economy. That is why this legislation is so flawed. There are all sorts of inadequacies that legislators and critics of legislation have pointed out over the years. Some of them have been cited here in the House of Commons.

There is a history involved in environmental legislation. There is the regulatory approach which I cited earlier. We found that the regulatory approach is far too narrow. We are talking about the approach where the individual pollutants and polluting activities were addressed in the regulations. But it was not enough.

Environmental legislation came out of the response to the inadequacies of the regulatory approach. Early environmental assessment requirements usually went a little further by demanding somewhat more comprehensive efforts to identify and evaluate the potential environmental effects and proposed undertakings. That was not enough either. Environmental considerations remain peripheral in public and private sector deliberations.

Broad areas of environmentally significant decision making were untouched by assessment requirements.

This is the old legislation, which is superior actually to this Bill C-78. This is where we are now.

Meanwhile, environmental challenges grew. In the Brundtland commission report, we have now faced global scale threats which require significant departures from business as usual. This is a world commission on environment and development, chaired by former Prime Minister Gro Harlem Brundtland. The essential environmental challenge facing all nations is that current human demands and practices considered at a global level are not environmentally sustainable. To put it bluntly, as Bob Gibson cites, we are killing the plant. This is where we have to move from the short-term considerations to the long-term view.

This is what not just Canadians but citizens of the world are feeling frustrated with. The legislators seemed inadequate up to date to realize that. We are not talking election to election. We are talking into the next century. I think that anyone who has children and has a responsibility to leaving this world a better place for them must realize that we have to give up that mindset. We have to think long term.

The major roots of the problem include the general failure in the past to ensure that biophysical and socio-economic factors were considered along with the usual financial and technical considerations in government and corporate decision making. What we are talking about is the test of sustainability, incorporating that test of sustainability into corporate and government decision making. It is much easier said than done. I am not going to be shy in admitting that. It is a major challenge facing legislators.

Once we get our heads around what the major principles are, I think that we are up to it. Let us give this House some credit. There are intelligent people here on both sides of the House. I know that will come as a surprise, given the kind of environment out there, the kind of psychic environment that we are all no-goods. I think that kind of psychic environment really degrades what most of us here are about, that we are trying to make a contribution. This kind of flimflammery on the part of the government on Bill C-78 just feeds that psychic environment.

We must pass the test of sustainability when we are talking about the environmental assessment. We recognize the difficulties. We recognize the challenges. We cannot turn our backs to that. It is just too important.

There are no viable options. There are none. I know that we can get ourselves really depressed considering what the options are if we fail in this. If we continue along the same old way, business as usual, we know what is facing us. We know that we are in big trouble environmentally, not just in Canada but globally.

We as a developed country, as a rich country, have a responsibility to take a lead in developing this kind of legislation. We could be a model for the international community, but we are losing that option if this bill goes through because it is flawed. It is terribly flawed. Because we have a responsibility as a developed country, we have the means, we have the educational facilities, we have the economic options that many of the countries of the world do not have.

We know that one of the strongest determinants for environmental degradation is poverty. We certainly have poverty in Canada, far too much for my liking, but when we consider what is going on in Brazil, Indonesia, El Salvador, or the desertification in Africa and when we consider the kind of options we have compared to the options of those people in those countries, we are very well off.

Of course we have a responsibility to Canadians. As legislators in the House of Commons that is where our first responsibility lies, but we have to stop thinking just in terms of national borders. We have to think about our global environment. That is where I think the short-sightedness, the short-term thinking of this kind of legislation really fails us. Environmental assessment must therefore begin long before a project or other undertaking is proposed. The change of mindset is essential.

• (1750)

I want to give a little of example of what I mean by that. If, for example, the problem is an anticipated gap between electricity supply and demand, it matters greatly whether the problem is treated as a deficiency of supply, implying a need for additional generating capacity, or an excess of demand, implying a need for conservation and efficiency measures.

This is what we have to think about and not keep being seduced by the growth phenomenon. Growth, at what cost? This is the kind of criticism that we have in our party of some of the initiatives that have gone forth in the last few weeks. I am talking particularly about Hibernia where of course there are jobs, and Newfoundland needs them. Newfoundland has long been an underdeveloped part of the country and the people of Newfoundland have suffered because of that. We in our party recognize that projects like Hibernia cannot proceed and jobs cannot be given at any cost.

This is what we are talking about: the test of sustainability. We have to be able to think about not just how we can grow but whether or not to grow is our best option.

I want to make it clear that I am not opposed to jobs. I also come from an island which has suffered from unemployment. I am quite sensitive to the kind of impact unemployment has on a community, the kind of social problems that it creates, the kind of emotional problems it gives people and how it degrades families. I am quite aware of that, but the challenge for us in drafting environmental legislation is to merge that socio-economic and environmental concern.

We can do it because sensitive, long-term thinking and environmental assessment legislation will create jobs. They will not be the same kind of jobs, but what we are talking about is a readjustment of values.

Why shouldn't the person working at a recycling plant be paid union scale? Why not? If our values are our environment and support for our communities, then why shouldn't that person be paid union scale? Why shouldn't he or she be earning $18 an hour, sufficient money to be able to support a family?

This is why I am talking about environmental legislation being merged. Socio-economic and environmental concerns have to be merged, and that requires a redefinition of the environment to a more broad definition. We have to cover the economic and cultural environment as well as the biophysical environment.

Some existing environmental assessment legislation already incorporates such a definition. It is right here in the province of Ontario, the Environmental Assessment Act. I am not saying that it is not flawed, but it incorporates that broad definition of socio-economic and environmental.

Environmental legislation which is initiated or revised today must have interim criteria. We know that the legislation which we bring forth in this House is only a step. Some of us are humble enough to know that we do not know everything. We know that it will be flawed, so interim criteria have to be there.

Some of those interim criteria are: protecting and enhancing the existing and future well-being of all people and recognizing the dependency of Canadians on the well-being of the biosphere and other people sharing it. One again I want to allude to our global responsibility. As a rich developed nation we have that responsibility. We also have to require undertakings to offer net positive biophysical and socio-economic improvements and net reductions in Canadian resource requirements and environmental impositions.

Mr. Speaker, I see you signalling that I have only one minute remaining. I will try to sum up. There is a hope for a change of mindset, and that is what is required: a merging of the economy and the environment.

I also want to reiterate that Canada is in a perfect position to be a leader in this area internationally. We have the means. We have the international reputation, overstated in my analysis but it is there. Let us use it to effect. We have to get good environmental legislation. We have to recognize that it is an interim move. We have to show a model to the world that we are serious about an environmental assessment review.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, we in this House respond to a number of publics: the very narrow one which exists on this Hill that we sometimes think is the whole world; the truly important one, the broader one to which we respond, the Canadian public; and then there is that constituency, in this particular case the environmental network, about which there has been concern and which in many ways is leading public opinion. The hon. member and I were recently at a meeting involving that particular constituency, the environmental network *per se*, and I wonder if she could give her comments on its reaction to this particular bill.

Ms. Hunter: Yes, Mr. Speaker, I would be only too pleased to give the environmental network's assessment of this bill.

I had the pleasure of having dinner with a number of the group members who looked at this legislation. They are not very happy with it. In fact they are the ones who are pushing us to stop it. It is so fatally flawed that they want it out of here. They realize that the government is trying to push through this legislation in order to satisfy its short-term view, and also it is the old smoke and mirrors routine.

In the Canadian environmental network good, sound environmentalists that they are, are well aware of what the government is doing. I think the best thing for the government to do is to withdraw this bill and have it redrafted considerably.

Mr. René Soetens (Ontario): Mr. Speaker, I would just like to ask the member a question. In environmental matters generally the people are concerned about the air we breathe, the land on which we live, the water we drink, those kinds of issues. She referenced a whole bunch of other things like whether union employees should make $18 an hour as one of the things we ought to look into. Then she talked about the Environmental Assessment Act of Ontario being such a good bill as an example. I realize it was brought in by a Conservative government many years ago in Ontario. For five years the Liberals tried to use it and did not, and now the NDP in Ontario has its chance.

Could the member the member tell me of one hearing, of one successful hearing, of one ruling, of one decision that has been made under an Environmental Assessment Act hearing in Ontario if she thinks it is that good? I can tell her there is none, but maybe she would like to comment.

Ms. Hunter: Mr. Speaker, yes, I would be pleased to comment. I think it enabled me to point out another flaw in this legislation. There has to be enabling legislation to make it enforceable. That is what we are talking: enforceability.

Sure, we can wheedle, we can plead, and we can suggest but really what we need to have is laws, enforceable laws, laws that people know will be enforced and that there will be fines or imprisonment for degrading our environment.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Since this is the end of my second week in my new job as Acting Speaker, I want to thank those of you who have given me their best wishes and offered me their cooperation. I will try to live up to your expectations.

[*English*]

It being six o'clock, the House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 25, 1990

The House met at 11 a.m.

Prayers

[*Translation*]

OFFICIAL LANGUAGES

TABLING OF SPECIAL REPORT OF COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Speaker: I have the honour to table a special report presented to Parliament by the Commissioner of Official Languages, in accordance with section 67 of the Official Languages Act.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

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IMMIGRATION

TABLING OF ANNUAL REPORT

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of the annual report to Parliament, Immigration Plan for 1991–1995.

IMMIGRATION PLAN FOR 1991–1995

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to table today the government's annual report to Parliament which provides an immigration plan for Canada for 1991 to 1995.

I should point out that this is the first time that the government has introduced a five-year plan. Traditionally, we have had in our Parliament a one-year plan on immigration. This five-year planning horizon is only one of the innovations that we have introduced to ensure that immigration to Canada continues to play an important role in our government's social and economic policies.

[*Translation*]

By adopting a five-year time horizon, there is sufficient lead time for our many partners in the process to develop their own plans to accommodate the people who wish to come to Canada.

I stress this need for planning and management of the process, because many people try to reduce this important policy initiative to a simple game of numbers.

Mr. Speaker, there are real people behind those numbers—people with real stories, real hopes and dreams—people who have chosen Canada as their new home.

[*English*]

It is our responsibility as a government to ensure that policies and program are in place to ensure that these people can integrate quickly and comfortably into Canadian society.

As part of my report, I am very pleased to provide a new federal integration strategy which will ensure greater collaboration with the provinces, with immigrant-serving organizations, and with the private sector, as well as new programs and funding for language training for newcomers to Canada.

Much of the strategy was developed as a result of the extensive consultation process that I initiated across the country this past year, a process that included the

broadest range of organizations and individuals ever put together from different walks of life and with varying perspectives on immigration.

There are clearly many points of view across Canada on how many immigrants we should accept, the type of immigrants we should encourage and the programs and services that we should provide. Of course, there are finite limits to our ability and to our resources.

As a government, we must make the difficult choices that are necessary to balance the range of opinions, the range of interests and the motives of all Canadians, and still live within our budgetary and other constraints.

To ensure that our choices are good for Canada, we spent close to two years examining the range of options available to us, against the backdrop of our domestic needs, our international obligations, our moral obligations to our own values and our ability to accommodate people coming to Canada.

Mr. Speaker, I believe that we have made these choices well. We propose a moderate increase in total immigration over the next five years rising from 200,000 people this year to 220,000 next year and to a maximum of 250,000 in 1992 and beyond.

[*Translation*]

In allowing that moderate growth, we propose to restore the traditional proportional balance among the three streams of immigration—the family, refugee, and independent categories. To accomplish this balance, we have been required to re-examine the nature of family immigration and to re-define "the family" using the criterion of real dependency.

In practical terms, this means that Canadians will be allowed to sponsor spouses and fiancé (e)s; all dependent children, regardless of their age or marital status; all parents, regardless of age or their sponsor's length of residence in Canada; and all adopted children, regardless of age, who are legitimately dependent on their parents.

• (1110)

To allow for these new provisions, we have been forced to exclude adult, non-dependent children. But they may still be eligible to immigrate to Canada under the assisted relatives class.

[*English*]

We will also discontinue the "retirees" program in 1990, since most retirees who were born in Canada and who wish to return in the retirement will be able to do so under other categories.

We have also chosen to continue Canada's fine record of humanitarianism by providing for generous numbers of government and privately-sponsored refugees, in addition to the people who will have their claims accepted within Canada.

Finally, we will be making a number of adjustments in the independent category to ensure that skilled workers are selected in accordance with both national and provincial economic needs and objectives.

While our choices as a government are difficult, they are no more difficult than the individual choices of those people who choose to come to Canada, who have come here to build new lives. As Canadians we must do everything possible to ensure that we understand both the challenges and the opportunities that immigration provides for us. We must each play a part to ensure that we provide a genuine welcome to those who have chosen Canada as their new home.

In tabling this report, I look around and see the faces of many people who either directly or through a family member know the reality of the immigration experience. It was that reality that directed our choices and our planning. It is that genuine understanding of the people affected that will govern our actions during the course of this plan.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, first of all, I would like to thank the minister for having given us a chance to analyse the document she just tabled in this House, her five-year plan.

Mr. Speaker, it was a good try by the minister, considering she had to convince both her cabinet colleagues and the Tory caucus, who so often recommended freezing the number of immigration admissions to our country.

The minister is to be commended for moving slowly but surely towards the 1 per cent rate we Liberals have been demanding for several years.

However, Mr. Speaker, we can hardly rely on the figures given in this shiny new five-year plan, because so far, the minister's projections have never been realized.

The levels announced for 1990 are way off the mark, not only in terms of figures but also in terms of the various classes.

In 1988, the same minister tabled another shiny new plan which, according to her, would deal with the backlog of refugee claims that still exists today. Two years later, not more than 20 per cent of these cases have been settled, and now we have another plan, not for two years but five.

What these plans prove is that immigration in Canada is completely out of control. What we need is a return to principles. There was a time when immigration was subject to the vagaries of a changing economy. That is a thing of the past. Today, progressive minds see immigration as one of the major motors of our economy.

In a country with such a low population density, immigration, if dealt with intelligently, compassionately, and with sufficient planning, is an effective lever for developing our economic and human resources.

The fact is, we don't have too many immigrants in this country, Mr. Speaker. We don't have enough!

It is easy to fall into the trap of applying mainly economic criteria when analysing this question and to overlook the sociological and demographic reality we can expect in the decades to come.

The facts are clear, and the statistical projections are impressive. Basically, we have an ageing population in this country which does not reproduce in sufficient numbers to ensure replacement. For the past fifteen years, the birthrate has been below the levels required to maintain the present population.

At this rate, our population will increase during the next few years, reaching a peak of 28 million Canadians 25 years from now, and then dropping to 15 million 25 years after that.

Mr. Speaker, clearly we must take steps now to deal with the consequences of this demographic curve, because if our population ever dropped to that level, this country will face serious socio-economic consequences. Just consider the impact of the following: a dramatic reduction in our productive labour force with the resulting drop in tax revenue, plus the need to meet the demands of an ageing population. To survive and prosper, we must compensate for our falling birthrate and maintain the labour force levels we need to maintain our level of economic activity.

[*English*]

We must decide now. Do we want Canada, over the next 50 years, to be an important country in the world, or are we satisfied to keep the *status quo*, becoming in the long run a marginal member of the global entity?

Today, everybody talks about our financial deficit. We do not have only a financial deficit. We have another deficit as important, maybe even more important. We have a human deficit which is increasing and becoming more threatening every day.

In the document tabled today, the minister puts great emphasis on her federal integration strategy, on Canadian values, and on national pride. This is only wishful thinking and good intentions.

The minister failed to outline a detailed action plan, specific objectives, and, last but not least, a budget.

[*Translation*]

In the document tabled today, the Minister puts great emphasis on her federal integration strategy, on Canadian values and national pride.

But it is only wishful thinking on her part since she failed to outine an action plan, specific objectives, and, last but not least, a budget.

Meanwhile, Mr. Speaker, the Canadian association of school counselors tells us that, due to a lack of resources, 125,000 to 150,000 immigrant children do not receive any education in French or in English. School authorities simply do not have the resources needed to deal with this sudden influx.

Mr. Speaker, this document does not say anything about a plan to make the Canadian population aware of the social changes related to immigration. We must act quickly to develop a strategy to inform and educate the Canadian public on the still unknown—and therefore threatening—issue of immigration.

Statistics show that roughly one Canadian out of three is reluctant, not to say unwilling, to welcome immigrants to Canada.

Information and education are the best guarantees we have against all forms of racism. This is one of the serious problems with this five-year plan.

[*English*]

Just a year ago, in the great burst of compassion, we expanded our definition of the family for immigration purposes. The minister announced the government's plan on the new family reunification to include all children who had never been married.

• (1120)

Today, in a drastic stroke, she again closes the door on families. Reduce access to families, that is another tragic aspect to the minister's five-year plan.

[*Translation*]

In closing, Mr. Speaker, today the Minister, with her plan and her big numbers, will give hope to a lot of people here and throughout the world. But we know very well that she can never stick to her plans. This is why we urge her to look beyond her rhetorical speeches and to give her department the resources it needs to implement the five-year plan.

[*English*]

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I do commend the minister for several aspects of her report. One is the innovation of the five-year plan which is very necessary, not only for potential immigrants planning to come to Canada, but for immigration staff and Canadian citizens planning or preparing to receive them.

Also, I commend her for undertaking to move toward the level of 250,000 immigrants per year which has a good deal of public support, especially from the Canadian Ethnocultural Council, but also from many others.

I commend the minister, also, for one of her decisions regarding the funding of language training and I will come to that later.

However, there are several matters which I cannot commend and I do not agree with her that she has maintained the proportion of family reunification to independent immigration to refugee immigration. In fact, family immigration has not been sustained by her government for several years at the proportion that it used to have and that most people have intended that it should have. There is nothing here to indicate an increase in proportion to the increase in total immigration.

In fact, there is a memo that was leaked to *The Toronto Star* last month which suggests that immigration posts abroad will process some family members more slowly, last in line. As it is now, it takes two years for many posts to get a family member over here. The new plan makes some wishes but has no provisions for speeding this up.

There is also no attempt to increase the number of government-sponsored refugees selected overseas from the large pool that desperately need resettlement. In fact, the restriction for the last half year on the loan program, in violation of a written agreement with private sponsoring groups, has seriously hindered the bringing in of privately sponsored refugees as well. There is no clear assurance that the loan program will be restored even though several months ago Parliament voted a very generous sum of money for that purpose.

The minister also does not take into account the fact that the Department of External Affairs announced at the beginning of July that it would be reducing the number of visa officers overseas and at home. In other words, the expansion that the minister undertakes is not being matched by staff and is actually going to be hindered by staff if the Department of External Affairs carries out its program of restructuring and cuts.

Within Canada, the Canada Employment and Immigration Commission has not announced any increases in staff or money to handle the extra workload that the minister has undertaken. We know from past experience, certainly in Toronto, about the line-ups that start in the small hours of the morning and continue all day long. We know that the minister does not have enough staff to handle the work even as it is now.

The good news about language training is that the minister has undertaken verbally $200 million over the next four years to teach English or French as a second language to adults. This is what her staff gave us last night.

The bad news is that there is no willingness at all to assist the schools of Canada in teaching English and French as a second language to children and the SLT program of last year has, of course, been cancelled. In Ontario alone, there will be tens of thousands of children in school who are not being served by second-language programs and that will seriously hold back their

education and the education of others in the same school classes.

Finally, I wish to point out that the relative priority being given in this program is the continuing increase in the proportion of independent immigrants. This is questionable in two ways, one of which I have already mentioned. It is done at the expense of family immigration and at the expense of government-sponsored refugees which is frozen at the level of 13,000. It has been at for several years and, according to her report, will be frozen for the next five years. It also raises a question of what the government's motive is in going abroad for independent immigrants.

We have heard it suggested, especially from the other side, that the government has to find skilled people at the lowest cost. In other words, there are poor countries who manage to train a few skilled people or a few highly educated people. We would like to go and scoop those up and bring them to Canada, rather than the government, at any level in the country, spending the money needed to train Canadians, whether they have been born here or not. It would be foolish, as has been done over past generations, to rely on simply bringing our skilled trades and our highly educated professions from overseas.

For one thing, if they move to Canada they may still be footloose and move on to the United States; that is a pattern we have observed. For another, it hurts the training programs for Canadians and stultifies the opportunities for Canada's young people to grow up and learn the trades that are needed in our country.

Therefore, I regret that the same minister who is responsible for training programs seems to want to undercut those programs with her program for independent immigration.

All and all, although there are certain details of this program that seem to be well managed, the main thrust of it is still not what the Canadian people want or need.

Mr. Speaker: The hon. member for Shefford, on a point of order.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, since this question goes to the very heart of the linguistic duality of this country and the minister has made a major announcement today, I would appreciate an opportunity to address the House and comment very briefly on the minister's speech, since what she said is important to Quebec's linguistic and demographic balance. In fact, the survival of French-speaking Quebec may be threatened by her immigration levels if immigration is not controlled under the provisions we hoped—

[*English*]

Mr. Speaker: I hesitate to interrupt the hon. member, but I take it the hon. member is rising and asking the Chair if it would be appropriate that he have the same privileges as the two official opposition parties in responding to the minister. That is the point. The hon. member may be moving on to saying what he would say, if he was replying to the minister, but I have his point.

I have a problem, the hon. member knows that, with the rules. I would ask him to address that particular point and then I will hear other members.

[*Translation*]

Mr. Lapierre: Thank you, Mr. Speaker. Without addressing the substance of the debate, in accordance with the Standing Orders, I believe we represent an important group in this House which has a point of view it wishes to communicate to the House. I think that, in response to the minister's speech regarding a number of questions of particular interest to us, and in the name of democracy and especially in the name of freedom of expression in this House, I believe it would be appropriate for us to have a chance to comment on speeches as important as the one the minister just made, which has a major impact on the constituents we have the privilege to represent.

Mr. Speaker, I am not asking for special favours. I only ask that occasionally, we be given an opportunity to respond to important announcements made by the government. I am sure the government would not object if we were allowed to comment on speeches made in this House to give Parliament first notice of their policies.

• (1130)

Consequently, if the purpose of ministers' statements is to give advance notice to parliamentarians, out of respect for this House and what this institution represents, I am sure, Mr. Speaker, that the government and members of other parties in this House would be interested to hear the views of the various groups sitting in this Chamber. This goes to the very core of this institution and our democratic traditions.

For instance, as far as immigration is concerned, I am sure that the Quebec perspective is of particular interest to the hon. member for Ottawa—Vanier and the Minister of External Affairs, who has an abiding interest in Quebec issues. So I would like to be able to oblige by expressing my point of view.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am just as deeply interested in questions related to the interests of Quebec as I am in democratic issues. Democracy calls for respect for rules, Mr. Speaker, and the rules of the House are clear.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I feel I must respond because the member for Shefford did refer to me personally. First I would remind him that the Standing Orders are quite clear when it comes to ministerial statements, that is who can respond and how.

Mr. Speaker, I fully agree that this morning's ministerial statement is important and that the parties in opposition to the government have the right to reply. I did say the parties in opposition to the government have the right to reply. The Standing Orders are quite clear on that point. For the benefit of hon. members, allow me to read Standing Order 33(1):

> 33.(1) On Statements by Ministers, as listed in Standing Order 30(3), a Minister of the Crown may make a short factual announcement or statement of government policy. A Member from each of the parties in opposition to the government—

I underscore the words "parties in opposition"—

> —may comment briefly thereon. The time for such proceedings shall be limited as the Speaker deems fit.

The minister spoke for seven minutes and I think that the opposition parties, certainly the Official Opposition and the third party, the New Democratic Party, did keep to the allotted time.

This morning, Mr. Speaker, the member for Shefford wants to debate the matter. He is entitled to do that. The debate has been opened by the minister's statement and it will go on, I imagine, during Question Period and probably during comments and statements by members under Standing Order 31. He will have every opportunity to comment on the decision. I know him well enough to realize he will do that without hesitation.

He said something like "we are an important faction in this House". He did not say "we are a political party of the House', he said "we are an important faction in this House'. That is what he said. Mr. Speaker, the Standing Orders do not say anything about factions having the right to respond to ministerial statements. The Standing Orders are clear, only duly recognized parties can do so. If the hon. members want, I could talk for several minutes or even several hours, read all the precedents since 1963 when the Standing Orders were changed, and even from the Parliament of Canada Act which gives a definition of party leader and determines who can be considered as such.

Mr. Speaker, in effect, what the hon. member for Shefford said is that, as an independent member of this House—it is his official status—, he would like to reply to the Minister. I am sorry but the Standing Orders do not allow him to do this. I agree with him that it is a very important issue. We are all concerned with—me as much as anybody else—the issue of linguistic duality. I certainly do not need a lecture from anybody on this. However, I, among others, would like to see the House function in a somewhat orderly fashion, which could be accomplished if the hon. members followed the rules as they are written.

If the rule in question is poorly written, I think it can be modified if a majority of members agree. But, in its current version, it clearly specifies that only the opposition parties have the right to reply. As far as I know, the group to which the hon. member for Shefford belongs is not recognized as a party in this House. Mr. Speaker, if we must start debating today what constitutes a party in

this House, I am ready to do it right now. And I would like to have my say on this fundamental issue: how do we know what constitutes a political party and what are the definitions contained in the Canada Elections Act and the Standing Orders of the House of Commons.

And since the hon. member for Shefford maintains that he is not a political party, Mr. Speaker, I am sorry to tell him that we cannot accommodate his request to reply to the Minister, but not because we are opposed to what he is going to say or to his freedom of speech. Even though freedom of speech is sacred in this House, we must follow the rules. Under the item of business called "routine proceedings", the Minister made a statement she had a right to make and to which we replied. In previous rulings, former Speakers, namely Mr. MacNaughton, Mr. Lamoureux and Mr. Jerome, have always maintained that independent members do not have the right to reply to Ministers' statements.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, first I want to say that we acknowledge and appreciate the fact that the minister made the statement on major changes to Canada's immigration policy in the House today, which permitted then an opportunity for recognized opposition parties to respond.

I share the concern my hon. friend from Shefford obviously has in wanting to respond. I know as a member from the western part of Canada where these changes will have a major impact on our communities, I too would like to respond. The rules limit me from doing so. I also acknowledge that there are other members who are independent members whom I am sure would similarly have views that they too would like to reflect on in terms of this major announcement.

As the hon. member for Ottawa—Vanier pointed out, Standing Order 33(1) makes it clear what we can do within the rules. The only alternative my hon. colleague would have would be to seek unanimous consent—we do that from time to time—to overlook the Standing Orders or to alter them in order to let a certain event to occur.

That is the only procedure I see available. Mr. Speaker, your hands are tied, and in a sense our individual hands are tied, but that would be the only way that the hon. member for Shefford would have a chance of responding as would others, if they received unanimous consent of the House.

Mr. Speaker: I do not see other members rising. If they wish, I of course will hear them. I do not think I need to hear further on this point.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I simply had some precedents that I thought might be of assistance to you in dealing with this issue from 1963, 1966 and 1979. I can summarize them briefly if it would be of any assistance to Your Honour.

If not, I am prepared to rely on the arguments advanced by my colleague from Ottawa—Vanier and the hon. member for Kamloops which I submit are correct and in accordance with these precedents.

Mr. Speaker: I want to thank the hon. member for Kingston and the Islands. I am very familiar with the precedents.

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I hesitate to interrupt because we do not want to be seen in any way as preventing the opposition from participating in an important issue.

I, too, have gone through the precedents fairly carefully, and it seems to me that the precedents are quite clear that even though a group within the House is not a recognized party according to the parliamentary act that we deal with, often in the past the Speaker has allowed those members to intervene and make statements.

I think that would be the case here today, except for one rather unique exception; that is, as was mentioned by the hon. member for Ottawa—Vanier, we are dealing with a group that has not been registered as a party electorally. I think that does have a significant impact on how it can be treated within the Chamber. Essentially, that is a very serious difficulty. The Speakers' precedents in the past have been very clear, that independents were not allowed the privilege of responding to ministerial statements because they did not represent a party. Even though we now have a group that think of themselves as a party, they are in fact not registered as one within the House or with the Electoral Act of Canada.

• (1140)

[*Translation*]

Hon. Jean Lapierre (Shefford): I am pleased that my colleagues have now established a certain number of criteria they would like to see applied when a party is recognized as such.

Mr. Speaker, we would also like to benefit from your great wisdom and would appreciate if you could tell us whether the Canada Elections Act takes precedence over the precedents of this House and whether the Canada Elections Act or the legislation dealing with political parties provide for *de facto* recognition within this institution.

Mr. Speaker, if technically, one must register with the Chief Electoral Officer a reference was made by the hon. member for Ottawa—Vanier and the parliamentary secretary I would like some clarification in this respect. I read comments by some of our colleagues in the *Hill Times*, and not that I want to advertise the fact, but it is clear that some of our colleagues tend to emphasize the importance of registration with the Chief Electoral Officer.

Mr. Speaker, I raised the matter because it keeps popping up every time. We sent you a joint statement that we had formed a political group in this House. We believe this House controls its own destiny and its own rules. I did not imagine the Canada Elections Act and registration with the Chief Electoral Officer in any way affected the recognition of parliamentary groups by this House or their recognition for income tax purposes.

Mr. Speaker, I know you are an eminent lawyer, and I was counting on your insight. Actually, I would be tempted to approach this as a question of privilege, because the question of registration is brought up time and time again. I would like to know how the matter of registration impacts legally on our status here in the House. I wish you would rule on that once and for all. It would also help the hon. member for Ottawa—Vanier and other members who regularly refer to this issue.

Mr. Speaker, I therefore wish to seek the unanimous consent of the House for commenting briefly on the immigration question, since I don't think we have settled the issue of party status, but I raise this question with a big question mark, and I would appreciate the benefit of your wisdom.

Mr. Speaker: I want to thank the hon. member for Shefford for his comments, and the other members—

[*English*]

—the hon. member for Ottawa Vanier, the hon. member for Kingston and The Islands, the hon. member for Kamloops, the right hon. Secretary of State for External Affairs and the parliamentary secretary.

[*Translation*]

This is very interesting, because the hon. member for Shefford is seeking an interpretation from the Chair respecting certain laws of Canada. A legal interpretation might be very interesting. I am tempted but, unfortunately for the hon. member for Shefford, it is not the Chair's role to interpret the Statutes of Canada. Consequently, I must reject the hon. member's request. I have taken a few moments of the time of the House to discuss a matter which, as I said before, is most interesting but it is an area that is closed to the Chair.

[*English*]

I would like to draw to the attention of hon. members rule 33. It is very clear.

[*Translation*]

> 33. (1) On Statements by Ministers, as listed in Stanting Order 30(3), a Minister of the Crown may make a short factual announcement or statement of government policy. A Member from each of the parties in opposition to the government may comment briefly thereon. The time for such proceedings shall be limited as the Speaker deems fit.

[*English*]

We are bound by the rules here and, as hon. members have said, that is the rule. I think the hon. member for Kamloops said the Speaker's hands were tied. That is certainly the case and, without consent or without a change in this rule, I must say to the hon. member for Shefford that I am not in a position to allow the hon. member to respond.

I want to point out to hon. members, as has been mentioned in argument, and also to the public that this does not mean that the hon. member for Shefford or others who sit in this Chamber outside the recognized parties at the moment do not have a chance to be heard. That would be an interpretation which is not accurate.

All members have the right to speak during the period called Statements by Members each day, a full 60-second statement. Further, members have the right to ask questions in Question Period. After that question is asked, under the rules members can go further. They can ask to be allowed to speak on the adjournment debate and, when their turn comes up, that is a seven-minute speech to which the government responds for three minutes. There are other ways—and I have not precluded some other ways as well—in which these matters can be raised.

Unfortunately for the hon. member for Shefford, I am bound by the rule. I see the hon. member is indicating some understanding of that. His route, I think, is discussions with his colleagues and, if there is to be a change, then of course I would abide by it.

It has been brought to my attention that there was a request by the hon. member for Shefford to respond. Is there unanimous consent to allow the hon. member for Shefford to respond?

An hon. member: No.

Mr. Speaker: I have to advise the hon. member there is not unanimous consent.

* * *

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

20TH ANNIVERSARY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just 20 years ago, in a remarkable act of foresight and goodwill, this House gave unanimous approval to legislation creating the International Development Research Centre. In the two decades since, the IDRC has attracted the interest and the commendation of the world as it has offered forms of innovative and effective assistance to the scientific communities of the developing countries.

This week, the centre's International Board of Governors, composed of distinguished scientists and development experts from 11 different countries, is meeting in Ottawa for one of its regular meetings. As they do so, these men and women have every reason to view with pride IDRC's accomplishments. It is a pride that I know is shared by all hon. members of this House.

[*Translation*]

IDRC's statutory mandate is to support development-related research. Since its creation, the Centre has chosen to do so by encouraging and funding scientific research undertaken and managed by developing country scientists. In this way the research is relevant to needs, and the competence and experience of local scientists is deepened and enhanced. IDRC-funded research has led to increased supplies of food and water, improved education and health services, more reliable data for decision-makers, and better access to information.

[*English*]

The success of the centre has attracted the commendation of committees of this House, even of the Auditor General of Canada, and of numerous international observers. Its developmental data bases are recognized as among the most diverse and valuable of any in the world. They include, for example, all of the original archives of the Brundtland commission.

• (1150)

The accomplishments of IDRC, Sir, are a credit to Canada. To the board and to the staff of this unique international organization, I extend, I am sure on behalf of all members of the House, thanks and best wishes for continued success as the IDRC enters its third decade.

Some hon. members: Hear, hear.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is my great pleasure to rise today in support of the words of the right hon. Secretary of State for External Affairs in commending the International Development Research Centre for 20 years of very successful development work.

I find it unfortunate that Canadians are not as familiar as I think they should be with the very successful work of the International Development Research Centre, for if we go around the world into the most remote areas of Third World countries we will find people talking about the accomplishments of the International Development Research Centre.

Some 15 to 20 years ago the populations of Canada and developed nations around the world were concerned about famine and hunger in India; but few Canadians realize what an important contribution the International Development Research Centre has made to the fact that no longer do we hear about famine in India despite severe droughts that it has undergone. This is because of the significant and important research that the Interna-

tional Development Research Centre has put into the sphere of agriculture, its focus of attention and concentration.

Besides concentrating on agricultural security worldwide, employees of the centre have put a lot of effort into health and nutrition and social sciences. They have done much to relieve the poverty at the grassroots level in Third World countries around the world. Next week they will have a small technological fair at their centre to which they will invite the public to see some of the technology that they have brought into place: technology which, for example, has produced pumps that are easily maintained in the Third World, bringing healthy, safe water to population, and a simple device such as the hulling machine which has saved women in Third World countries hours daily in preparing their daily food.

Today we also have visiting us in our country a Dr. Mahbub ul Haq from the United Nations Development Program who has helped the United Nations put out a report on world development. He indicates in his report that it is not so important that everybody in the world have $20,000 U.S. as their income per annum, but how we distribute wealth in the world; that if we support countries who are interested in equitable distribution of wealth and employ the resources that organizations such as the International Development Research Centre make possible, we can do much to improve the status of living of peoples around the world.

Along with the right hon. Secretary of State for External Affairs, I wish to congratulate the International Development Research Centre on its accomplishments. Through its technological fair and through its collaboration with other Canadian entities such as our non-government organizations in our universities, I hope Canadians will become more aware of the enormous contribution of the International Development Research Centre to effective international development and that others in Canada will be encouraged to follow its example.

Some hon. members: Hear, hear.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, the New Democratic Party supports international development assistance and recognizes the International Development Research Centre as a proper tool for helping to implement Canada's commitment to humanitarian aid to the developing world.

On the 20th anniversary of the International Development Research Centre, we extend congratulations to the board of governors and the staff of the IDRC on a job well done. We also congratulate former Prime Minister Lester Pearson and the Parliament of the day for their foresight in establishing the centre.

IDRC is also to be congratulated on its success to adhering to the development principles laid down 20 years ago at its inception. These principles targeted assistance for the poorest people and stressed aid to developing countries to help them create their own long-term solutions to pressing developmental problems.

The IDRC's practice of assisting with research at the local level, especially the supporting of promising young scientists for developing countries, is a logical and sensible approach to meeting the needs of Third World countries to overcome the cycle of poverty. Getting aid to the right people is always a concern. IDRC seems to have successfully met that challenge.

New Democrats call on the Secretary of State for External Affairs to increase the funding to IDRC to the 5 per cent of the ODA target originally set for IDRC and to increase ODA funding quickly to the UN target of .7 per cent of Canada's GNP. We believe the Department of External Affairs, CIDA, and IDRC could extend the value of Canada's ODA by working much more closely together in sharing experience and expertise.

I hope that the International Development Research Centre will use its 20th anniversary to analyse its impact and assist all Canadians to understand the tremendous value of Canadian Official Development Assistance.

In closing, I want to congratulate Mr. Ivan Head, IDRC's president, on his appointment to the Order of Canada last evening. This honour reflects well on the good work done by Mr. Head, the board, and the staff of IDRC.

[*Translation*]

INTER-PARLIAMENTARY DELEGATIONS

TENTH ACTIVITY REPORT OF THE CANADIAN BRANCH OF THE INTERNATIONAL ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

Hon. Andrée Champagne (Saint-Hyacinthe—Bagot): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the Tenth Activity Report of the Canadian Branch of the International Association of French-Speaking Parliamentarians.

This Report is a summary of the meeting held by the American Region from August 16 to 19, in Portland, Maine, and presided by Mr. John Martin, the Speaker of the House of Representatives.

I want to point out, Mr. Speaker, that the seven sectors of the American Region, including Louisiana, were represented. The proceedings were therefore very interesting and I invite my colleagues to peruse the Report I have the honour of presenting today.

* * *

[*English*]

BILL C-63

REPORT OF LEGISLATIVE COMMITTEE

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-63, an act to establish the Canadian Race Relations Foundation, with amendment. It is particularly apropos today, with the statement of the Minister of Employment and Immigration.

Mr. Speaker, I wonder if you would permit me just to say how very much I appreciated the fact that the member for South Shore chaired the last three sessions of the committee. He obtained the complete co-operation of all members on the committee. I do compliment him and thank him for putting this legislation through.

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

Routine Proceedings

PROCEEDS OF CRIME ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-89, an act to facilitate combating the laundering of proceeds of crime.

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

* * *

• (1200)

BANK ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-90, an act to amend the Bank Act (extension).

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

* * *

PARLIAMENT OF CANADA ACT AND CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. John Manley (Ottawa South) moved for leave to introduce Bill C-341, an act to amend the Parliament of Canada Act and the Canada Elections Act (change of political affiliation).

He said: Mr. Speaker, the purpose of this bill which amends both the Parliament of Canada Act and the Canada Elections Act, would be to recognize the importance that political party affiliation plays in the election of members to this House. It would result, in the event of change of party affiliation during the course of a Parliament in a member's seat being declared vacant, and a by-election being held within 90 days of the change of party affiliation.

I think it would enable voters to have a direct say in members' decisions to change party affiliation.

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

[*Translation*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to table today at least half a dozen petitions on behalf of Canadians who are strongly opposed to a tax on books.

[*English*]

These people claim that it has been a tradition in Canada not to tax magazines, books and newspapers, that the uninhibited dissemination of the printed word as a cornerstone of democracy, culture, education, and a literate and productive society will be negatively affected by the application of the proposed goods and services tax.

The undersigned humbly pray and call upon Parliament to reaffirm the historic principles embodied in the tax free status of the printed word by retaining the zero rate in the GST legislation and regulations.

[*Translation*]

In closing, Mr. Speaker, I want to point out the slogan the editors came out with in Quebec and that I find quite striking. It says: "To tax books is imposing ignorance."

[*English*]

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I have two petitions, both approved as to form by the clerk of petitions.

It is an honour to present a petition signed by almost 3,000 residents of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario concerning the proposed goods and services tax.

In a sentence, the petition says that the tax would be inflationary and regressive. It would reduce the standard of living of Canadians generally. Agreeing fully with the thrust of the petition, I am honoured to present it.

EXTERNAL AFFAIRS

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the second petition is on behalf of approximately 132 residents of Edmonton, Toronto, London and Oakville about the imprisonment of Mr. Yih-Sheh Leo, a Canadian citizen in Taiwan. Among other things, they call for the Government of Canada to do everything possible to obtain his early release.

GOODS AND SERVICES TAX

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present a petition with regard to the goods and services tax.

This petition is part of 17,000 names which were collected by Mrs. Idris O'Neill of St. Catharines, Ontario and submitted to this House beforehand.

I was struck by the words which are used in presenting this petition. They are: "the right thus to present a grievance common to your petitioners," meaning the people who sign this, "in the certain assurance that your honourable House will therefore provide a remedy."

This is one of the series of petitions which has been put in this House of Commons by many members of Parliament. It would seem that the only remedy that this government is going to give us is more of the same. It is just not listening to the people of Canada who have been saying for many months that they do not want this tax.

VETERANS AFFAIRS

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present three sets of petitions signed by a number of constituents in Massey, Ontario, in Little Current and Sheguiandah on Manitoulin Island and Thessalon, Ontario.

The petitioners call on the government to maintain its support and services to veterans. They point out that veterans of Canada have already made a great contribution to this country, both in wartime and in peace. They call on the government to maintain those services and not deprive them of much-needed services and assistance in times of hardship.

GOODS AND SERVICES TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, I have three other petitions signed by several hundred constituents in Espanola, Makaroff and in Wawa. I also have petitions from Kagawong, Gore Bay and Meldrum Bay on Manitoulin Island calling on the government to withdraw the goods and services tax.

The petitioners would have to do this at the Senate level because the bill has been passed in the House. They point out the unfairness of the tax to low-income

families and to people who want to read. For instance, the Prime Minister's spouse yesterday talked about the importance of reading—

The Acting Speaker (Mr. Paproski): Order.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today to present a petition on behalf of a number of farmers from Saskatchewan.

With thousands of bushels in the field and this government failing to move grain in the world markets, thousands and thousands of farmers are going into bankruptcy. These farmers are concerned about the future of orderly marketing in this country.

The petitioners are concerned that the government is continuing to oversee the dismantling of the Canadian Wheat Board. They call upon this government to return oats to the jurisdiction of the Canadian Wheat Board to give oats and barley the same protection that wheat now enjoys. That would ensure that changes could only be made by Parliament itself, in order to give farmers in Saskatchewan and across this country protection.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I will continue to rise until there is not a gasp of hope left, I suppose, in terms of presenting petitions against the goods and services tax.

Today I rise to present petitions from Kamloops, Port Hope and Oshawa as well as Toronto, from individuals who are opposed to the goods and services tax. They point out a long list of reasons, all accurate and precise, why this is a fundamentally bad tax. It is coming at the worst time ever as we are into a recession. They are asking that the government reconsider their determined effort to proceed with the tax.

Mr. Speaker, I have another petition from all parts of Canada against the government's decision to tax literature and reading material. They cannot understand how the government feels that taxing a children's story book is going to be good for that child or good for the country.

They ask the government to consider not taxing reading material.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

• (1210)

[*English*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

MEASURE TO ENACT

The House resumed from Wednesday, October 24, consideration of the motion of Mr. de Cotret that Bill C-78, an act to establish a federal environmental assessment process, be read the second time and referred to a legislative committee; and the amendment of Mr. Taylor, (p. 14644).

The Acting Speaker (Mr. Paproski): I wish to inform the House that, because of the ministerial statements, Government Orders will be extended 31 minutes. The hon. member for Gander—Grand Falls.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the House of Commons is debating today a bill concerning the environment. That is an admirable thing to be doing. It certainly is good to read what the Government of Canada claims it is trying to do with this new environment bill.

In the bill, there is a preamble which reads:

> —the Government of Canada seeks to achieve an appropriate balance between economic development and the preservation and enhancement of environmental quality;—

Today, in the *Statutes of Canada*, we have a Clean Air Act, an Environmental Protection Act for the land, and a clean water act, through the Fisheries Act. So one would think, on the face of it, that we would not need any more acts of Parliament.

Mr. Speaker, if you go over those laws which are presently in effect in Canada, you will come to the conclusion that if the Government of Canada were doing its job, you would not need another bill to be introduced into the Parliament of Canada, passed by the Senate and made law, to deal with the protection of the environment. But the reality in dealing with the principle of this bill is that we have more problems today than we ever had with the environment and the reasons are quite simple.

If one looks at the Environmental Protection Act which was brought in to protect our enviornment and which outlawed polychlorinated biphenyls, commonly known as PCBs, and other substances that harm the environment, one would say, "Well, that is wonderful, that will protect our environment, that will protect our forest land, our trees, our walkways, all of the areas of nature that we have across this country".

But, Mr. Speaker, what does the federal Department of the Environment suggest to the power companies or to anybody else who wishes to construct a power line or keep it clear or construct a road or a right-of-way? It says, why not use a chemical called 2,4-D? That will kill all of the trees, the plants and the flowers and everything else, all along that power line. It is pretty cheap as well. So a toxic chemical is placed in the Canadian environment, from one part of Canada to the other, to kill all of that vegetation. Everywhere that pole line and that roadway goes, anything goes to get rid of plants, trees, and things that might interfere with that particular development.

The Government of Canada has on its books an act called the Environmental Protection Act suggesting to anybody who wishes to do so that, yes, we approve of the use of a chemical called 2-4-D to get rid of every single thing in the path of that power line, road, or right-of-way from one area of Canada to the other. Can you imagine the number of Canadians who go out every year to pick berries by the side of the road or on a pole line? Does any Canadian think about why it is those wild raspberries or wild strawberries grow so well in those areas, or why a blueberry grows so well under a power line, not knowing that perhaps two months or one day previous, a toxic chemical which kills vegetation was sprayed in that area?

Under provincial licences, there is supposed to be a sign put up. But how many signs can be put up? The Department of Agriculture and the Department of the Environment approves of that toxic chemical sprayed in our environment, taken away by the rain and the streams in all parts of Canada. You might say that is not bad because it is just on the power lines and the roadways. What about our wilderness areas and forest lands?

We have an Environmental Protection Act which allows the use of a tree killer called 2-4-D to be used in any part of Canada. It is used today and was used from one part of Canada to the other this year.

Turning to the forests,there is the Clean Air Act. The Department of the Environment, together with the Department of Agriculture, suggests to the paper companies that they should go up in an aeroplane and spray another toxic chemical all over the forests, in western Canada to kill the beetle and in eastern and central Canada to kill the spruce budworm, the hemlock looper, or the balsam woolly aphid. The Government of Canada says: "You can do that. We suggest you do that. Here is a list of the chemicals we will give you approved by Environment Canada for use to kill the particular insects that you want to get rid of."

Province after province this summer bought one of the most toxic chemicals ever studied by man, apart from DDT which was used in the fifties. They bought fenitrothion and matacil and they sprayed it over enormous areas of forest land from aeroplanes.

If we get the picture, we might go into our wilderness area and leave the pole line or roadway, where the plant killer 2-4-D is used, and walk into the forest, where on all of the trees in little oil droplets is a toxic chemical called fenitrothion which is designed to kill specific insects such as the beetle, the balsam woolly aphid, the hemlock looper, and the spruce budworm.

• (1220)

The Department of the Environment has a study done by the National Research Council on the use of fenitrothion. The study shows that chemical, used in Canada under the auspices of the federal Department of the Environment, has killed not only the forest insects they are trying to get rid of, but it has killed bees, harmless insects, and it has killed the birds, the very predators of the insects they are trying to get rid of.

If the birds that normally eat the insects that they are trying to get rid of are being killed, the next year they are going to have to spray again, aren't they? The same numbers of birds are not being reborn. Of course, the federal Department of the Environment says: "Well, it doesn't really kill the birds. It kind of—well, they don't grow right after." There will be birds that have only one wing.

Because of the approval of the federal Department of the Environment, some provinces today are caught in an endless cycle of using toxic chemicals on all of our wilderness areas and forests to kill an insect that they cannot kill, but they are killing everything else.

Those two chemicals that I just mentioned fenitrothion and matacil, and 2-4-D, which is used in our right of ways to kill the plants and the trees, are relatively cheap. Also approved for use by the Department of the Environment is another substance which again could be sprayed called bacillus theringensus. The short name is BT. It was invented in Canada by a famous scientist in the Quebec region of the Canadian Forestry Service, a gentleman by the name of Dr. Schmirnoff. He invented it and that is being used today in many countries of the world where they want to rid of insects but they do not want to kill the natural predators.

I am telling you, Mr. Speaker, when you really get into this subject, you discover that some of the most interesting things were used to try to get rid of these pests in our wilderness areas. Why, one was invented at a university in eastern Canada, a particular substance that affected the normal cycle of reproduction of these particular insects. In other words, it was like a perfume that gave off the odour of a female budworm, in this case, and of course the males would then try to reproduce at the wrong time of the year. It did not work, but a lot of money was spent on it. I guess you could say that a lot of budworms were frustrated to death.

Many things were tried and the Canadian Forestry Service came up with this one solution called BT. But there is one drawback to it; it is expensive. It is not cheap like the fast fixes of the chemicals.

So, there is the Environmental Protection Act to protect the land and a chemical called 2-4-D sprayed from one area of Canada to the other to get rid of growth of plants. There is the Clean Air Act to protect us from things in the air and to protect our environment. Yet, we approve the toxic chemicals fenitrothion and matacil used from one part of Canada to the other in all of our wilderness area over our forests. There is not much left, is there? That covers the forests. There is a chemical sprayed from the air, from one end of this country to the other. There are the tree ways, the walkways, and the power lines. There is another chemical used to kill the trees there.

Then, we turn to the clean water act, or what we call the Fisheries Act. Keep in mind what is before the House today, the statement in the preamble of Bill C-78:

> —preventing the degradation of environmental quality and at the same time ensuring that economic development is compatible with the high value Canadians place on environmental quality.

We all know what a disaster we have in the waterways of Canada. Under the Fisheries Act, we use a section of the act when a pulp and paper mill puts a substance into the water. We can stop that substance from going into the water, because under the law we cannot disturb fish, and that is the hook that we have for the protection of the environment; namely, the fishing resource.

In the federal government, the Department of External Affairs has taken over the management of that environmental aspect of our development. As I have outlined to the House before, more foreign nations are given licences to plunder our resources on the bottom of the ocean within our 200-mile zone than are Canadians. Let me repeat that. Mr. Speaker, when you go out between 12 and 200 nautical miles, which is perhaps 230 or 240 road miles, that area of our coastline in eastern Canada has more licences granted to enormous factory vessels of 500 feet long and there are more vessels granted to foreign nations than there are licences granted to Canadians.

This year, we saw the Canadian licences cut back in the closure of fish plants in Nova Scotia and in Newfoundland. Today, more licences are granted to foreign nations than to Canadians in what we call the off-shore fishing resource of Canada. So far this year, 82 factory freezer trawler licences have been issued, mainly to Cuba, the Soviet Union and two other countries that were originally called East Germany and the German Democratic Republic. Some of these licences were never picked up.

As I speak today, there are 14 Soviet vessels about 50 miles north northeast of Fogo Island in Newfoundland. There are two Japanese vessels about 100 miles east of the Labrador coast. They are fishing today. They have these enormous nets, as I pointed out before, on rollers that go along the ocean floor, kill everything and grab everything in their path. You cannot have spawning of fish when you have these gigantic, ultra-modern nets, almost like something out of *Star Wars*, all over our ocean floor totally destroying everything, all because the Department of External Affairs is the real manager of that resource in this country today.

• (1230)

On the principle of this particular bill, the report card for the Government of Canada under the Clean Air Act, under the Environmental Protection Act and under the clean water act, commonly referred to as the Fisheries Act, shows one big zero. It need not be that way. The Government of Canada is totally to blame for the total destruction of some of our fundamental resources in this country.

Mr. Jim Fulton (Skeena): Mr. Speaker, just a quick question to my friend, George. In relation to Bill C-78, I am just wondering whether or not he would agree that the bill, as drafted, is inadequate and that it really should apply to government policy, and the acts which should be listed, of which there are over 100, such as the Fisheries Act, should be included in the bill and that the regulations which the government side want to bring in is sort of a Trojan horse. The government side loves to do that and to say everything that is not in the bill can be done by Order in Council.

Would the hon. member agree that that kind of Trojan horse provision is not good for this kind of legislation? Canadians should know what the bill really means. We have regulations missing, acts missing, policy is not referred to and little things, of course, like the minister has never bothered to even speak on the bill. It has been before the House for four months. Perhaps the hon. member could deal with those matters which have been left out of the bill and perhaps he might ponder out loud why the minister will not come to the House, while we still have 20-minute sections when he could, in fact, be questioned. Perhaps we might wonder why he is not here.

The Acting Speaker (Mr. Paproski): I do not think the hon. member should bring that to the attention of the House. He may be watching it on television and he may be down, but I do not think that that should be brought to the attention of the House.

Mr. Baker: Mr. Speaker, I think he is watching it on television and he is even making notes to try to straighten out a few things, I am sure.

My main point is that, regardless of what is in the bill, the Government of Canada does not follow through on what it claims its intentions are. I know that we have had court decisions that have brought on this bill.

The court, as I understand it, was trying to make the federal government responsible for certain actions for which it did not want to be responsible. The bill could be interpreted in such a way as facilitating the absence of the federal government making a definitive decision that the court thought it should make.

I think that that is why the Government of Canada is really not promoting this bill as the answer to the environmental problems that we have. The government may say that that is the case but it certainly will not repeat it too many times because we have too many people in Canada who are, as the preamble states, "compatible with the high value Canadians place on environmental quality".

Canadians do place a high value on environmental quality. Canadians use our environment. Canadians want our environment to be clean when, right now, it is filthy. They want to be able to visit our waterways and visit our forests and today, these are in a mess. They do not want to have chemicals rain down upon them, as they presently do in this country. It is a most disgusting and outrageous thought to walk into our forest lands and realize, if some people only knew the truth, that on a tree is a droplet of oil and in that oil is a chemical that kills things. When you get to a roadway, you do not realize that on each side the reason nothing grows there is because a chemical sprayed there.

What is the answer to it? Well, there is an answer. It is called labour work. There is an answer to preventing trees from disturbing a pole line. Get someone in there to chop them down. There is an answer. Do not use those massive spray programs in our forest land. I really believe that the answer lies, and I know a lot of people would not agree with me, in promotion of the natural predator to the level we had. In other words, restore the bird populations to the levels they were. There is a danger in that as you cannot just have bird sanctuaries all over the place because you will have an over abundance

of birds. I recall when one government had a problem with the balsam woolly aphid. It decided to bring in the predator, the shrew. A shrew is a very tiny little animal with a sort of long tail. It is like a tiny mechanical mouse that you sometimes see in a store. The government brought in shrews.

I recall the day that this was announced in the provincial legislature. The premier of the province said: "Well, we got rid of the balsam woolly aphid. The shrews have eaten them up. But now we have a problem with too many shrews". He went on to say that the predator of the shrew is the snake, but if the government brought in snakes, it would never win the next election. That is a problem. The woodlots of eastern Europe where they have bird sanctuaries is a partial solution to this problem of using chemical sprays in our environment.

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired. It has been a very wonderful speech.

Questions and comments are now terminated. Debate? It should be the Liberal Party, but I will recognize the NDP if that is what the hon. member would like.

The hon. member for Skeena has the floor. He will be the last speaker who will have a 20-minute speech under Standing Order 74.

The hon. member for Ottawa—Vanier.

Mr. Gauthier: I do not want to take exception to your ruling, Mr. Speaker. I have some notes. I do not want to follow my colleague from Gander—Twillingate. I cannot hope to speak like he does and I do not have the knowledge that he has, but I did wish and hope that I could start my speech before the allotted eight hours are up, which I am told will be around one o'clock. If we could get some understanding of that.

The Acting Speaker (Mr. Paproski): The hon. member will have 20 minutes plus 10 minutes questions and comments. There are 48 minutes remaining as of the commencement of the hon. member for Gander—Grand Falls, so the hon. member can judge for himself that there will not be that much time left. If he does get into it, naturally the Chair will allow the 20 minutes or he can get unanimous consent if he likes. I am just bringing this to the attention of the hon. member for Ottawa—Vanier.

The hon. member for Skeena has the floor on debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a somewhat broader ranging opportunity to speak to Bill C-78, and I appreciate my friend giving me the opportunity.

There are a lot of people in this country who want to know more about Bill C-78. It is only through debates such as this that they will get an opportunity. It appears that the government side does not intend to put up the minister because, as the Speaker just pointed out, this is the last 20-minute speech that will have a 10-minute question and answer period with it. The government has ducked the opportunity to bring the minister forward. In the last full day of debate, the government has not put up any speakers. I guess its intention is to not really let its agenda be broadly known in the country.

• (1240)

In our series of hearings in the special committee, which was struck on June 27 but did not have a chair until September 24, we had a few witnesses. We had Mr. Robinson, the head of FEARO, the Federal Environmental Assessment and Review Office, and we have had some people from the Department of Justice. Other than that, we have not had a chance to really do what we were intended to do, which was to act as a pre-study but also as a special committee. My understanding was that we would have the opportunity to redraft Bill C-78, taking into account the major concerns that have been expressed from every province and from both territories, and from public interest groups, who want serious, tough-minded workable legislation when it comes to environmental assessment.

It seems that the government agenda is to not allow for the special committee to do its work. It wants to now complete second reading and force this legislation off to a legislative committee where only minor amendments and adjustments can be made. It certainly is the

intention of myself and my party to do everything we can to hold the minister's feet to the fire so that some of the substantive changes that this legislation requires are made. The more than 100 acts of Parliament that should be included, things like the Fisheries Act, the Railway Act, acts affecting Crown corporations and so on, should all be included and they have not been.

It is our understanding from evidence before the special committee that the Department of Justice and FEARO have nearly completed their work in listing all of the acts that have some environmental implication, the Navigable Waters Act and others, so that they could in fact be included in the legislation. That work is nearing completion and that should be done.

There should be nowhere near as many weasel phrases used in the legislation. That means that the sections that have so much leeway in terms of Order in Council powers should be specified in terms of very carefully delimiting regulations so that the public, corporations, industry, provincial, municipal, territorial and federal governments all know just exactly how the legislation should work, how it is triggered and so on. That is lacking.

Policy is not included. It clearly should be. As I noted in the ministerial recommendations from the FEARO documents that are for some strange reason stamped secret, I guess we can find in there some of the reasons why the policy has not been included. Many of the provinces met privately and some of the memos were leaked. We learned through that process that many of the provinces wanted to make sure that the kind of litigation that we have seen in relation to the Rafferty–Alameda, in relation to the Oldman River Dam, in terms of the litigation now under way, and in relation to Alcan's Kemano 2 project could not occur in the future.

I quote from page 22 of 40 pages of this so-called secret FEARO document where it states:

> 93. Advantages/Disadvantages: The principal advantage of legislation is that it represents a long-term commitment by the Government to good and open environmental planning while also obliging all departments to implement the Process, removing the basis for much criticism. It would ensure that the Government applies its best efforts to preventing environmental damage from its own activities or from those it controls. Some consider that this "advantage" is really a disadvantage in that it could constrain departments' discretion. Assigning authority to the Minister and, in the case of Department of Environment proposals to an agency reporting to the Minister, for deciding on the level and form of assessment would enhance the credibility of the process.

Now comes the key part:

> It is also clear that the public would favour the opportunity to seek legal remedies in the courts if the law is not implemented. Unlike the present Order, however, the legislation would, in effect, establish clear limits for court intervention. Assessments of policy proposals would not be vulnerable to such intervention.

This is the 18th draft. It took 18 ping-pong balls in terms of drafts from those who were drafting it in the Department of Justice and FEARO, on up through the system to the Privy Council Office and the cabinet, and back down again. It seems that every time it came up cabinet requested further limitations in terms of the legislation and more gopher holes.

Effectively it has reached the point now where almost any project imaginable can somehow or other be diverted by the minister's discretion out of the process, meaning that there is no known imaginable project that would with absolute certainty undergo a mandatory environmental assessment and review.

A good in point is what we see on the front page of *The Gazette*: headlines such as "James Bay might start without hearings, Bacon seems to be winner in battle for early start on work." It goes on to point out that the largest industrial project ever conceived of or proposed in North America is the James Bay II project, known as the Great Whale or *La Grande Baleine*, and the NBR. Those two projects combined are the largest industrial proposal ever in the history of North America.

Even though the courts have ruled that the 1984 cabinet guidelines order is mandatory and there are an abundance of federal jurisdictions impacted by the James Bay II project proposal, we have yet to hear a single strong statement from the government that before this project gets under way, before roads and airports are built, before forests are cut down, before construction of the dams begin and so on, the hearings must take place publicly and that that process must be completed.

Surely we have learned from the loss of environment and the loss of federal and provincial government credibility on the Rafferty–Alameda. The disputes seemed to end up with: what is safety related work, what is safety related construction, and what is completion construction? Now we find the premier of Saskatchewan dumping on the Minister of the Environment and the

Minister of the Environment chucking dirt back at the Government of Saskatchewan.

The fact is that the environmental assessment panel has resigned. The courts said there had to be an environmental assessment, but we have the two levels of government allowing a project to proceed in direct affront to the court and in direct violation of the law. Precisely the same is going on in relation to the Oldman River dam in Alberta.

As many members of this House will know, in March 1990 the Federal Court of Appeal ruled that Justice Jerome erred in his decision. The court quashed the federal licence to construct and ordered the federal environmental assessment of the project; but that construction continued. The federal government still has not appointed an environmental assessment review panel or an EARP, even though ordered to do so in March by the Federal Court of Appeal.

The federal Minister of the Environment has asked federal justice for a legal opinion on whether he can appoint an EARP while the decision is under appeal. As we know now, that has been sent off to the Supreme Court of Canada. Nothing is in the way of the Minister of the Environment doing what the court had ordered him to do; but he is still not doing it.

We have the two most controversial projects at the moment. On the Rafferty–Alameda, the EARP panel has resigned and no EARP has been reappointed so that it can complete its work before the project is over. In terms of the Oldman, now that the valves have been closed and the reservoir is starting to fill, one of the highest courts in the country, the Federal Court of Appeal, ordered that there be an EARP. The minister still has done nothing to comply with the law. What is the public to think?

Mr. Benjamin: He is in contempt of court.

Mr. Fulton: Of course he is in contempt of court. I suspect he is also in contempt of Parliament. However, that does not seem to matter when it comes to the 1984 cabinet guidelines order even though they have been ruled mandatory. I have all kinds of memoranda from within government, between different agencies, pointing out that it is mandatory and is no longer discretionary. The government knows it is mandatory, but it is not fulfilling the mandate imposed upon it by the courts.

What is the government doing in relation to Bill C–78? Does it pass the simplest tests, even with the tests placed upon the 1984 guidelines order by the Federal Court and the Federal Court of Appeal? The answer is no. It fails on every test that someone seriously concerned about the environment or sustainable development could possibly put the legislation to.

• (1250)

Referring to the comments of the member for Gander—Grand Falls who spoke a moment ago, for many years it was believed by many members in this House and by many members of the public that the solution to pollution was dilution; you just dump the crap in the river or dump it in a lake. Eighty per cent of the toxic and hazardous wastes produced on a daily basis in Canada is still illegally or improperly disposed of.

Where do you think it is going, Mr. Speaker? It is going into the storm sewers. It is going on farmers' fields. We know in some cases, with some of it, that it goes into peoples' gas tanks. They drive around the city and pump the PCBs out on the street so that the chemical companies do not have to pay to dispose of it properly.

This country and the rest of the world are in desperate need of serious environmental assessment legislation that can assess existing projects.

Forty per cent of the marine pollution in Canada today come from pulp mills. For years we were promised new pulp mill guidelines and regulations by this government; ever since 1984 practically. "Oh, we are going to clean this up. We are going to do something. We are coming forward with it. We will eliminate dioxins. We will eliminate furans. We will do something about all of these other things"; but diddley squat is done and the public is getting madder and madder every day.

I described this bill a moment ago as having been carefully addled with gopher holes. The 18 times it went to cabinet, every time cabinet said: "It ain't loose enough. What if we want to put a nuclear plant in my riding? What if I want to build a dam? What if I want to give a cabinet Order in Council exclusion to my pals from Alcan?" Hey, Montreal headquarters picks up the

phone: "Hi, Bri. Listen, I need an Order in Council to exempt my billion dollar project".

An hon. member: Sold.

Mr. Fulton: What do they get? On October 12 Bri goes to cabinet: "Exclude the project", the project is to lower the Fraser River by three feet.

The Acting Speaker (Mr. Paproski): If the hon. member is referring to the right hon. Prime Minister, I wish he would say the right hon. Prime Minister instead of using his first name.

Mr. Fulton: That is precisely whom I meant, Mr. Speaker. You are quite correct. That is what I meant to say and I was just coming to it.

This project will lower the Fraser River by three feet at Hell's Gate. Don't you, Mr. Speaker, think a project that does that or a project that will lower the level of the Nechako River to only 12 per cent of its original flow should have an assessment?

This is a government that knew it would be sensitive to go out and slaughter the 3,500 bisons in Canada's largest national park, Wood Buffalo National Park. It has been known for 60 years that there was brucellosis and tuberculosis in that herd. Now all of a sudden: "Oh, yes, they can have a panel to look into that".

What about a billion dollar project that will take three vertical feet out of the Fraser River? That project, in and of itself by direct action, will increase the pollution levels in the Fraser River. If there is less water and the communities, the pulp companies and everybody else are still dumping the same amount into less water, what will happen? You know what happens, Mr. Speaker, if you only put one ounce of water with two ounces of Scotch, compared to two ounces of water with two ounces of Scotch, right? This is what is going to happen from this project.

I find it contemptible of the people of Canada to give an Order in Council exemption to a project. The Prime Minister is on record saying there would be a full public inquiry and an environment assessment. What good is his word? Zero. Four ministers of fisheries in a row: James McGrath, full public inquiry and an environmental assessment of Kemano II; the present Speaker, as minister of fisheries—

The Acting Speaker (Mr. Paproski): I do not want the hon. member to question the Chair. On what he was just saying about the amount of Scotch in comparison to water, you get just as much alcohol in the blood whether you have two or one. It does not really make any difference. I do not think the hon. member should question the Chair anyway.

Mr. Fulton: You raise a very good point, Mr. Speaker. Four ministers of fisheries in a row said that K–II should undergo a full public inquiry and an environmental assessment: James McGrath, the present Speaker, Roméo LeBlanc, and Pierre de Bane. Now we have a minister of fisheries who goes and participates in getting an Order in Council exemption of the project.

What is the Government of Quebec thinking today in relation to the 1984 cabinet guidelines order?

The Rafferty–Oldman project, despite a ruling of the Federal Court, despite the resignation of the EARP panel, despite the views of people from right across this country, is proceeding. It has been politically exempted from having an environmental assessment. The Oldman River dam in Alberta, what has happened to it? Despite a binding ruling, a unanimous ruling of the Federal Court of Appeal, that project is proceeding. It has been politically exempted from what is required and known to be mandatory by the Department of Justice. The Kemano project in British Columbia, exempted by Order in Council, has never seen the light of day.

Who could possibly stand in this House and suggest that Quebec Hydro and the Government of Quebec would even want to consider a full public inquiry and an environmental assessment of the largest industrial project in the history of North America? They will go the same route. Who is kidding whom? They will start building roads. They will start building airports. They will start cutting down the forests, but Canadians are not going to put up with it very much longer.

I predict that this kind of contempt of the law, contempt of the courts, contempt of Parliament, and contempt of public concern will lead to a kind of approach and a kind of response that will require the same kind of serious abuse of civil rights that we saw at Oka this summer.

What about the Trojan horse provisions? Why is not only the legislation drafted in such a way as to be litigation proof? Why is it made litigation proof? The public at least now under the Order in Council can once in a while go to the courts, not apparently get binding injunctions but at least have a bit of a public say in what goes on. This legislation has a flak jacket all around it, making it practically impermeable to the rights of Cana-

dians to go to the appropriate courts of appropriate jurisdictions to get some kind of redress.

Why so many Order in Council provisions? Why aren't the regulations listed? What is the government hiding? What is the secret agenda? Why are the acts of Parliament not included? When the minister himself put out his propaganda packet on June 18, he said that acts such as the Fisheries Act might some day be included. Clearly all of that should be included now.

The other serious issue of concern of Canadians is that for a long time there was an adage in this country that you could go ahead with your own little project. You could go ahead with Point Aconi because it was only going to let off 1.5 million tonnes of carbon dioxide a year, and the "sox and nox" releases from it were not that significant and were not going to violate the agreements that had been made with Ottawa.

We have the Point Aconi project going to proceed. What about the three thermal plants that are proposed for southern Alberta? What about the Shand in Saskatchewan? What about all of these other projects? "At what point," the public keeps asking, "does the destruction of the environment by what has been described as insignificant increment stop?" Everybody wants to—

The Acting Speaker (Mr. Paproski): I regret to tell the hon. member that his time has expired. I know we all want to listen to him, but his time has expired.

We will go now to questions and comments and I will recognize the hon. member for Surrey North on a question or a comment.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I was fascinated by the speech being given by the previous speaker, particularly his discussion around Kemano and some of the other projects that seem to be destined to go ahead.

I would like him to expand on it particularly as he would see it influencing such things as the Big Bend in Surrey, which is the last fresh water marsh in the lower Fraser River estuary. Where will it be if the Fraser River is dropped three feet? Will it no longer be an estuary or a marsh but be a high and dry piece of land that some developer is going to want to come along and develop? I would like the member's comments on that.

Mr. Fulton: Mr. Speaker, I thank the member for an excellent and pertinent question. If we look at issues like Kemano II or Kemano completion that have been exempted from public hearings, issues like the Big Bend are precisely the kind of issue that should have a mandatory environmental assessment.

• (1300)

What we know is that by excluding a big project like Alcan from public hearings, people like the residents of Surrey, New Westminster, Vancouver, Hope and Williams Lake, right on up to Prince George and into my constituency have been excluded from the opportunity to know what the impact of a substantial lowering of the Fraser River means to their community.

It means the people who want to pump out water for the purpose of hay production cannot do that any more. Those new industries that might have wanted to extract water or place certain kinds of materials back into the water will not be allowed to proceed.

The Big Bend is a very important marshland and part of the Fraser River estuary. It is important to all the anadromous species as they come down—it does not matter whether it is sockeye, chinook or any of the other species—that they make use of the Fraser River estuary. They need those marshlands.

No initial environmental evaluation has been done. There have been no public hearings in relation to Big Bend. There have been no hearings in relation to the over-all impact on the Fraser River estuary. This is a cover-up of cataclysmic proportions.

The government has refused to allow knowledgeable, well-meaning, well-intentioned British Columbians to come out and talk about the largest and most important river in British Columbia, and what the impact of something like K-II will mean in relation to their community, their environment, their fishery and the future of their fishery and of the great blue heron populations which make use of Big Bend.

There are other bird populations that make use of it for nesting areas. The utilization by fish and by fry, the

importance of these kinds of areas have been dramatically undermined by the approach of this government.

I want to say that the overwhelming desire of Canadians is for a quality piece of environmental assessment legislation. We know the shortcomings of the 1984 cabinet guidelines order, but how can we possibly approve at second reading a piece of legislation that, according to Ray Robinson, the present head of the Federal Environmental Assessment and Review Organization, says that this legislation as it stands does not go as far, is not as wide-reaching as the 1984 cabinet guidelines order?

What kind of a pig in a poke—

An hon. member: It is a step backwards.

Mr. Fulton: It is a step backwards. That is what every major environmental organization in the country has been saying to Parliament. This is a step backwards.

Why would we possibly consider a step backwards when we look at the kinds of issues that need to be assessed? There are existing projects that need to be assessed that are excluded from this.

The mandatory review list is not included. Are nuclear plants going to be included? Are nuclear waste sites going to be included? Are major hydroelectric dams going to be included? We are asked to buy a pig in a poke.

In the post-Meech Lake Canada parliamentarians can no longer go for these smoky backroom decisions. Who is going to make the mandatory list? It has been discussed in departments. Provinces are discussing it. We have a lot of lobbying going on in Ottawa, people who want to be on the exclusion list. I spoke about this before.

Mr. Speaker, can you imagine the back-up of phone calls into that process about who wants to get on to the exclusion list? People from the oil patch, people from the hydro patch, people from the nuclear patch, people from all of these different patches who want to be on the exclusion list?

Legislation of this nature must be very straightforward. The public must know whether it is on the Big Bend or on a major project like K-II, or James Bay, or Rafferty-Alameda or on the Oldman, or brucellosis in the buffalo or issues in Canada's far north or on carbon dioxide in the atmosphere or on any of these issues. Small though they may seem to be to government, or large though they may be on the global horizon, we have to know how they are triggered.

What happens in the first stage? What are the federal jurisdictions? What is mandatory? What is exempted? Why has the government gone to such great lengths to dig all these gopher holes through the legislation, leaving the discretion entirely to the minister at times or to cabinet at other times? Why was the government not totally forthright and set up an arm's length Canadian environmental assessment and review operation so it would make the decisions?

It would have the legislation. It would decide, and both industry and the public would have an avenue of appeal to the minister so that there was a political opportunity for appeal on a decision to mandatory exclude or mandatory include. What many of these environmental errors are leading to are dangerous situations in communities. I have spoken to my colleagues from the Kootenays on issues like major new pulp mills. Communities are being divided and the process is forcing the division as much as anything else, because people do not know what the rules are. That is the problem with this legislation.

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the hon. member goes on at considerable length with respect to what he perceives to be the deficiencies in the bill. He talks a lot about the role of the federal government, which of course is something which have been evolving since 1984. I think if he were being honest with the House, he would concede that there are substantial improvements in this bill over what was provided in the 1984 guidelines.

I am interested in an indication from the hon. member on behalf of his party as to the role he perceives for the provinces in the area of environmental protection, understanding of course, as he does, that there is a joint responsibility. I think it would be very helpful if he could explain to provincial jurisdictions wherever they may be, whether it be in Ontario or elsewhere, as to whether or not he perceives that they have a role and he could specify what that role would be.

The Acting Speaker (Mr. Paproski): The hon. member for Skeena has two minutes.

Mr. Fulton: Mr. Speaker, I thank my friend for the question, although I am not quite sure what he is referring to when it talks about all honesty. I would certainly like to hear a lengthy speech from the member about what he views as ideal or better legislation.

Let me deal with the question that he poses. It is an important one and one that is not dealt with as directly in this legislation as I think it should be.

The provinces and territories do have very clear constitutional jurisdictions. However Canadians, as the member knows as parliamentary secretary, and as public opinion polls have demonstrated extensively over the last half dozen years, are looking increasingly to the federal government and at times look to the federal Crown to use POGG power, peace, order and good government in relation to some major projects, to intervene and to protect the environment on behalf of all Canadians.

What we do know is that there are more than 100 acts that have been passed by this Parliament since 1867 that are clearly in federal jurisdictions. Wherever those federal jurisdictions are, this legislation should be crisply clear and show that there is a federal role in relation to environmental assessment.

Mr. Clark (Brandon—Souris): What about the provincial role?

Mr. Fulton: The provincial role in terms of joint assessments and joint reviews is built within this, but it is not clearly enough delineated. The provinces, as the member knows from the meetings they have had earlier this year, have been attempting to reabsorb many of the environmental jurisdictions entirely unto themselves, other than interjurisdictional, that is, interprovincial or international matters where they think there can be joint review panels, but I think the issue of where there are federal jurisdictions—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

I would just like to bring to the attention of hon. members we are now operating under the provisions of Standing Order 74. Orders of the Day began at 12.11 p.m. We had 48 minutes of debate and it expired at 12.59 p.m. We are now into 10-minute speeches with no questions or comments. The hon. member for Ottawa—Vanier has the floor for 10 minutes. If he wishes to ask for more time after he gets near the 10-minute mark, I will be glad to ask the House for unanimous consent.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I was hoping that the member for Skeena would stop talking at 12.48 p.m. so that I would start my remarks and get my 20 minutes but he did not, so I will take my 10 minutes starting now.

Bill C-78 provides for legislation that could have played a crucial part in the important effort to protect our environment. The principle behind the bill is a good one. It is to make sure that we assess the potential environmental impact of projects in order to reduce or eliminate adverse effects. There are parts of the bill that in our view are commendable including some of the statements in the preamble. Unfortunately, this bill has such serious flaws that those of us on this side of the House cannot help but view it and the effort with great disappointment.

• (1310)

Bill C-78 is supposed to create binding legislation ensuring that proper environmental assessments are conducted for projects within federal jurisdiction. But this bill is so full of holes that there are no guarantees that those projects under federal jurisdiction will undergo such an assessment.

A national coalition of 28 environmental groups virtually condemned the bill earlier this fall after a meeting in Hull, Quebec, saying it needs to be completely rewritten. We agree. According to the *Winnipeg Free Press* on October 2, these groups are critical of the proposed legislation because it gives the federal government total discretion to decide whether an environmental assessment process should be implemented. This is because the bill makes so many allowances for exclusions that it is easy to wonder if any projects will be included in the mandatory lists.

One Manitoba representative at the meeting in Hull on environmental issues, lawyer Brian Pannell, said in the news release issued after that meeting that if Bill C-78 passes in its current form, "Canada will return to the dark ages of environmental law".

Such legislation, returning us to the medieval ages of environmental awareness, is the last thing Canadians want, it is the last thing we need at a time when all around us we see evidence of the damage we have already caused to our environment.

[*Translation*]

Mr. Speaker, there are two rivers within the confines of my riding, the Rideau river which crosses the riding and the Ottawa river which flows along the northern limit.

Mr. Speaker, we are regularly witness to the serious and sometimes disastrous consequences of spilling all sorts of products—including extremely toxic substances—into the two rivers, and to the environmental damage that may ensue. When the beaches of those rivers are closed in early summer because of high coliform counts, polluting bacteria and chemical products we have every right to ask whether governments—municipal, regional, provincial and federal alike—are doing something to prevent these practices which we all condemn, namely the discharge of toxic materials into our rivers.

A few years ago, Mr. Speaker, here in the House in Ottawa I put a question to find out why the federal government did allow departments—Public works, among others—to award painting or cleaning contracts to companies that ended up dumping their waste products into the Ottawa or Rideau river. Mr. Speaker, I was told it came under provincial jurisdiction. That is precisely where the problem lies! The various government levels are not on the same wavelength and they have a hard time understanding one another.

[*English*]

A few years ago, as I said, pollution of the Ottawa and Rideau rivers was very worrisome but things have not changed very much. They still close the beaches. They still tell us not to go swimming because the water is polluted. They still tell us that there are chemicals, heavy metals, pollutants being emptied into the rivers. It is time that we here at the federal level took this matter very seriously.

Some of those materials being dumped are serious and highly toxic and include the PCBs, polychlorinated biphenyls, which as you know, Mr. Speaker, can cause cancer. What provision does Bill C-78 make for an environmental assessment of the existing practices of federal departments, agencies, Crown corporations and their employees? I did not find it in the bill. I would hope that they will look at that attentively.

I agree with the former Minister of the Environment who made a statement here in Ottawa on June 9, 1987, saying that unless we take better care of our rivers, and I quote former Minister Tom McMillan, "unless our attitudes and practices change, what we pass on to the next generation will not be shining rivers but open sewers".

I am sure all members would agree that the Ottawa River and all other Canadian rivers, for that matter, must be cleaned up and protected from further pollution.

Every region and community in Canada has its own environmental concerns and we should carefully study this bill to be aware of its lost potential.

I would like to point out briefly some of the serious flaws in this bill.

[*Translation*]

First, nowhere in the bill can you see the telling expression "sustainable development".

[*English*]

Instead, we have some vague statements in the preamble, including one about ensuring, and I quote the preamble:

> —ensuring that economic development is compatible with the high value Canadians place on environmental quality.

If the government is really committed to the concept of sustainable development, which it says it is, why will it not put the actual term into the preamble? Just put "sustainable development" somewhere in the preamble. If the government wants to place the environment first among its concerns, and in partnership with the economy and all Canadians, why not put the concept of sustainable development and what it requires into the preamble? Why not be crystal clear about our intent?

Clause 4(a) of that bill should be strengthened in my view and changed from requiring that the environmental effects of projects be given, as the bill states, careful consideration, to something more forceful and also more useful, which would be fully reviewed and scrutinized.

One of my greatest concerns with this legislation, as I mentioned, is the lack of guarantees and its ample provisions for exclusions. Two Federal Court decisions handed down earlier this year regarding the Oldman River project in Alberta and the Rafferty-Alameda Dam project in Saskatchewan ordered Ottawa to make mandatory the current EARP guidelines, the environmental assessment review process guidelines. Until now, these guidelines were discretionary. Bill C-78 with all its exclusions would, in effect, undo these court decisions which were encouraging and steps in the right direction for greater environmental protection by making environ-

mental assessments mandatory for all projects under federal jurisdiction.

One of the provisions of Bill C–78, clause 6(1)(a), states that an environmental assessment of a project is not required where, and I quote:

> —in the opinion of the responsible authority the project is described in an exclusion list;

This grants additional powers to a minister, making the opinion of the minister weightier than that which is written in the act.

In clauses 21 and 24 we find the discretionary powers of responsible authorities and ministers outlined. These discretionary powers include the ability to terminate an assessment. That is unacceptable to us.

In clause 34 we find that the authority responsible for the project, such as a minister, is the one required to act on the report of any review and makes the decision to allow the project to proceed or to stop it. Such a requirement leaves the minister vulnerable to intense lobbying from those who wish to see a project go ahead, regardless of the environmental costs and consequences.

A bill that grants such discretion and allows for endless exclusions is clearly one without teeth. What we need now and what we needed years ago, is legislation with teeth, something that will make things happen. The Tories promised this legislation in 1984. It was going to be, in their own words, tough. Perhaps they overlooked their promise to deal seriously with this legislation.

Mr. Speaker, the report card on this bill, as we have said, is negative, it is zero, zilch, and no good.

• (1320)

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am very pleased to be standing before the House this afternoon speaking to Bill C–78 which is an act to establish a federal environmental assessment process.

The purpose of this bill is to create binding legislation to ensure that environmental assessments are carried out on certain projects within federal jurisdiction. It would replace the federal policy on environmental assessment and review known as the guidelines order in effect since June, 1984.

Canadians need some sense of confidence that the environment is going to be protected. They are looking for a more considered, sensitive process. This bill is one that gives us something to discuss and to move ahead with because it is badly needed.

Unfortunately, the weakness of the legislation before us makes for a skeptical public and questions the motives of us as legislators and the seriousness of the government's intent in enacting this resolution.

The credibility of the bill would be considerably enhanced if the concept of sustainable development would find its way into the preamble and the purposes. It would be considerably more enhanced if this reference to a balance between the economy and the environment were referred to. This is significant because the over–riding purpose of this legislation should be to foster sustainable development.

It has been said that the 1980s will be remembered as the decade that the earth spoke back. It seems that we cannot pick up a newspaper these days without reading stories about problems in our environment. Think about it: acid rain, smog, dirty water, closed beaches, and global warming. Today human kind is seriously reassessing the relationship with the natural world. We have become aware that in our enthusiasm for economic development we have neglected a crucial component of what allows our economy to support us, the environment. We have been living off the capital we have inherited, not the interest and it has to stop.

Most people want to do the right thing when it comes to our environment. Many of us still have a basic lack of understanding of what we can do to relate to the environment. We hesitate to call ourselves environmentalists, but we do not want to be labelled insensitive. What we do know, all of us, is that the problem is urgent and the time for change is now. And changing we are. With increasing awareness of environmental issues, comes a burning desire to save this planet earth which is the source of our existence. Along with fears and new awareness comes inspiration and dedication. I would like to challenge all of us to let us makes 1991 the year that we answer back.

There are many global concerns that Canadians are faced with. PCBs, mentioned earlier by one of my colleagues, are made up of dioxins and furons, two of the most lethal toxins known to man. Several years ago the federal government took the step to eliminate PCBs. The problem is that PCBs, once created, do not go away. They cannot be destroyed. Therefore, they must be stored, at least until some means of safe destruction is available. The federal government should be encouraged to finance research into safe disposal techniques. Until these are in place, national standards should be established for the safe movement and containment of PCBs.

Global warming. What is global warming? It would result in large-scale melting of glaciers causing the level and size of oceans to increase. Flooded coastlines and islands would be the catastrophic result.

Our water. Canadians are the greatest users and abusers of water in this world. Our supplies of clean usable water are limited. We must learn to use them wisely. It is vital for life and our survival depends upon it.

Ozone depletion. Ozone is a form of oxygen that is suspended above the earth's surface. The ozone layer, approximately 15 to 35 kilometres, forms a protective shield from the sun's harmful rays. It is being destroyed.

Toxic chemicals, pesticides, and herbicides. We overuse them and these chemicals leak through the soil, get into our water supplies, and when ingested they accumulate in body fat.

Wildlife and endangered species. We are killing them off at an extremely rapid rate. There is habitat loss and destruction, overuse and poaching, and toxic contamination. What are we doing to our wildlife and endangered species?

Deteriorating infrastructure, acid rain, and our forests. Our forests are being cut down at an alarming rate and we depend upon our forests for the oxygen necessary to clean the air we breathe. It is also a contributing factor to global warming.

If I could get more site specific and deal with issues closer to home with regard to the environment, I would like to talk about the Rideau River. We have two rivers here in the national capital region, the Rideau River and the Ottawa River. For too long we have been standing around deploring the deterioration of the environment without doing anything about it. Many of us have difficulty dealing with the enormous scope of these problems, and I would like to focus on the ecological crisis facing us.

Let us be specific about the Rideau River. Everyone is aware of the Rideau and the fight to maintain it as a beautiful and vital river here in our nation's capital. We might not know all that is happening to the river or whether or not anyone is doing anything about it, but yet this historic waterway has become a major recreational resource. Once on it, you can make your way from the Ottawa River to the St. Lawrence River. It may be small but it is environmentally significant. The river is in trouble and we are the cause of its trouble.

Fortunately, more attention is being given to the Rideau River and I would like to mention four particular areas with which people are concerned. The rural beaches program by the Rideau Valley Conservation Authority. They are doing a study which will identify our major rural pollution sources in the Rideau River and its beaches. It is terribly important.

Another study done by the Conservation Authority is a study of the Rideau Lakes. The aim is to protect the lake environment. Its members talk to the cottagers. They are doing something about it. The Rideau Valley Conservation Authority is an arm of the provincial government and of regional government. Those are two programs being initiated by them.

The Rideau Canal Management Plan is the federal government plan of the Canadian Parks Service of Environment Canada. The plan will provide for future management, use and development of the canal. It is the policy of the Canadian Parks Service to provide opportunities for public consultation during the preparation of plans.

The Regional Municipality of Ottawa-Carleton is also continuing its sampling and testing program of the Rideau River.

The Friends of the Rideau are the people who live along the Rideau and the cottagers who live along the Rideau. They are officially known as the Rideau Waterway Co-ordinating Association, unofficially as the Friends of the Rideau. It is a non-profit organization concerned about the environmental impact upon that river.

Why do I mention the work under way on this particular river? I did so because, if the government is serious about the environment and what is happening today, then it must be more involved than it is. The federal government is doing less than any other agency to help protect certain areas of our environment. That is exactly why I zeroed in on that particular one.

Bill C-78 excludes, for instance, tax breaks aimed at particular individual projects as a reason to refer these projects to environmental review. What a waste of time, energy and money. This could be a gaping loophole if the federal government was to abuse this exclusion. Instead of devising financial packages to subsidize a project, Ottawa could put together tax incentives, reductions and deferrals, or duty remission schemes, that would be equally as attractive to a company or a consortium with a purpose of avoiding environmental review. Why go to the expense of an environmental review if you do not have to? This is especially relevant to energy, mining and resource projects.

The government should seek out all environmentally friendly businesses and recognize them through any number of positive ways. For example, the government should ask businesses if they meet or exceed all applicable government regulations, if they have developed an environmental code of ethics for their companies, and if they have worked toward pollution prevention rather than clean up.

The government should call on small businesses which practise environmental friendliness. It should promote these firms, hold them up as models to the community, and put their names in a book so that the public will know which company is selling environmentally friendly products or is friendly to our environment.

Mr. Speaker, I see my time is up. I thank you for giving me the opportunity to speak to this very important bill.

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. It being 1.31 p.m., I do now leave the Chair until two o'clock this day.

At 1.31 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CHARLES GOLDLUST HUMAN RIGHTS CENTRE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, on Sunday, October 28, 1990, the official dedication ceremonies will take place for the Charles Goldlust Human Rights Centre at the National Headquarters for B'Nai Brith Canada in Downsview.

Charles Goldlust, who passed away in 1985, was interned as a child in the death camps in Germany but was miraculously able to survive. He became deeply involved in all facets of Jewish life in Canada.

The Charles Goldlust Human Rights Centre houses the Institute for International Affairs and the League for Human Rights. The League is among Canada's most respected human rights advocates with a mandate to combat anti-Semitism, bigotry, hatred, racism and any other human rights abuses.

The memory of Charles Goldlust and his good deeds will continue to light the path of brotherly love, harmony and tolerance for all humanity.

* * *

TRADE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, yesterday the United States International Trade Commission found that imports of Canadian fresh, chilled and frozen pork, which account for a mere 3 per cent of the U.S. market, somehow threaten the U.S. pork industry.

This new ruling comes after an earlier remand by a panel under the Canada—U.S. Free Trade Agreement which had disputed the commission's earlier finding.

It has become clear to Canadian farmers that this government has failed to achieve any of their free trade goals. In fact, the Free Trade Panel has been overruled.

The U.S. Secretary of Agriculture stated very clearly during the free trade negotiations that the U.S. Trade Remedy Laws are intact and in the event of a dispute, U.S. law shall prevail.

I call on the government to admit that the Prime Minister's objective under free trade as stated in *Hansard* on page 4146, March 16, 1987, "is to help Canadian farmers by increasing the predictability and security of access of exports from the farm sector" has, in fact, become another broken promise.

This government promised Canadian farmers that the Canada-U.S. Free Trade Agreement offered guaranteed access, not the guaranteed harassment they have received.

* * *

1990 COACHING AWARDS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, last evening, some outstanding Canadians were honoured at the 1990 coaching awards dinner. The dean of coaches, Mr. Jack Donoghue in his remarks referred to Canadian youth as our greatest natural resource, and that we need great coaches for their continued positive development.

I ask this House to join with me and the Minister of Fitness and Amateur Sport in congratulating the coaching award recipients, in particular, four Albertans: Michael Jiranek of Bashaw, who received the Longine-Wittnauer Coaching Excellence Award; Deryk Snelling and Peter Connellan from the University of Calgary for their 3M coaching Canada awards; Mr. Paul Hortie of Edmonton, who sadly passed on before his recognition. However, Mrs. Sylvia Hortie received his award for outstanding contribution to coaching in the sport of boxing.

Thank you as well to TSN for providing turning point scholarships. From this leadership, Sir, Canada will continue with pride to be among the best in the world.

* * *

[*Translation*]

SOCODEVI

Mr. Marcel R. Tremblay (Québec Est): Mr. Speaker, I wish to take this opportunity to draw the attention of the House to an organization for international co-operation in my riding, the SOCODEVI.

This organization comprises 12 major co-operative institutions in Quebec that wish to promote the use of this formula as a development tool in Third World countries.

SOCODEVI works together with co-operative or pre-co-operative partners in developing countries, by offering technical and financial support to help these partners establish and promote the development of viable organizations, all in a spirit of partnership and mutual co-operation.

The member institutions of SOCODEVI are involved in a variety of sectors, including finance, agro-food, forestry, housing and tourism.

Mr. Speaker, I hope that SOCODEVI will serve as a model for other institutions and that their work will continue to produce the same excellent results we have seen so far.

* * *

IMMIGRATION

Mr. Phillip Edmonston (Chambly): Mr. Speaker, following the demise of Meech Lake, the Tory government failed the first real test of bilateral negotiations with Quebec, namely on the immigration issue.

An administrative agreement on immigration which, according to the Premier and the Prime Ministers, was imminent in June, is now back in limbo after being discussed for more than three years.

Everything with respect to standards had been settled, and funding was almost finalized. A signing session was scheduled by the federal government and then mysteriously cancelled a few months ago.

In view of this new deadlock, Mr. Speaker, today the federal government should have the courage and intellectual honesty to sign this agreement and continue giving Quebec the means to exercise its legitimate and unchallenged responsibility in the field of immigration.

* * *

[*English*]

LEBANON

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, On October 13, 1990, the Syrian army, supported by Lebanese pro-Syrian leftist militants, launched a simultaneous attack by air and land against a Christian enclave of East Beirut with the pretext of putting an end to the opposition of General Michel Aoun and the agreement

obtained. After the soldiers defending the presidential palace surrendered their arms to the invaders, the latter slaughtered them like sheep and mutilated their bodies. Then the Syrian army initiated a massacre of those in the vicinity.

[*Translation*]

Mr. Speaker, on many occasions in this House I have condemned the foreign armies on Lebanese soil, in a Lebanon that was one of the signatories to the United Nations Charter in 1945. We have asked the international community,in every way possible, to oblige both foreign armies to leave Lebanese territory.

Mr. Speaker, what does it take to persuade all Canadians to put pressure on the Canadian government to persuade the UN Security Council to end the massacre of a people?

* * *

[*English*]

SMALL BUSINESS WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, Small Business Week 1990 is an opportunity for all of us to focus on the importance of small business to the economies of our communities and to the economy of Canada.

This government's policies have been designed to stimulate entrepreneurial spirit, but we must do more to enable Canadian firms to effectively compete domestically against foreign companies which can now easily access the Canadian market and to also be able to go head-to-head in the international marketplace.

Ensuring that our youth have the training and the skills required to meet the demand for a skilled workforce will go a long way in meeting the needs of the manufacturing industry. A young, skilled, innovative workforce will allow greater emphasis on productivity, which is the key to both increased export success and to improving the supply potential of the economy.

S. O. 31

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the recent movie, *Sex, Lies and Videotapes* was obviously a personal hit with the Minister of Finance for he has now produced and directed his own version.

Three hundred thousand dollars of taxpayers' money has been used to finance this propaganda video. We will have to await the "R" rating but we can certainly predict some of the lies. The minister's video will say the GST is a visible tax. But it is not. It will say the GST will be revenue neutral. It will not be. The video will say it does not apply to food; in part, it does. The minister's video production will say it will benefit Canadians. It will not. It will say the GST will help small business. Untrue. The video will say the GST will reduce our debt. It will not.

The Minister of Finance's version of *Sex, Lies and Videotapes* will fail to be a box office success. But the minister may wish to submit this spoof of reality to *America's Funniest Home Videos*.

* * *

EXTRADITION ACT

Mr. Doug Fee (Red Deer): Mr. Speaker, tens of thousands of Canadians have demanded changes to the Extradition Act. Frankly, I am embarrassed that we have such a prolonged procedure, one that allows foreign fugitives to languish in Canadian custody at Canadian expense rather than face justice in their own country.

The hon. member for Peterborough presented a bill to this House on Tuesday that would reduce the extradition proceedings by up to one and a half years. The Official Opposition and the government had agreed to expedite the bill and move it to committee for action.

We had the opportunity to vote with all-party agreement. For purely partisan reasons, the New Democrats refused to agree and have delayed that vote. We had the means to improve the Extradition Act but the New Democratic Party delayed these improvements. The Canadian public has demanded them and we are going to see this act improved in spite of the NDP.

S. O. 31

GOODS AND SERVICES TAX

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the deal by Liberal senators to get the GST passed, let us look at the facts.

Do the Liberals really oppose the GST?

Some hon. members: No.

Mr. Rodriguez: Did the "hypogrit" senators defeat the GST bill at first reading when they had the majority?

Some hon. members: No.

Mr. Rodriguez: Did the "hypogrit" senators defeat the GST bill at second reading when they had the majority?

Some hon. members: No.

Mr. Rodriguez: Did the "hypogrit" senators use their majority to defeat the GST in April?

Some hon. members: No.

• (1410)

Mr. Rodriguez: Did the "hypogrit" senators use their majority to defeat the bill in May?

Some hon. members: No.

Mr. Rodriguez: Did they use their majority in the Senate to defeat it in June?

Some hon. members: No.

Mr. Rodriguez: The facts are clear: The Liberals have lost it for the GST since Allan MacEachen and Jean Chrétien first devised it in the early eighties.

Some hon. members: Shame.

* * *

[*Translation*]

SMALL BUSINESS WEEK

Mr. Gilles Bernier (Beauce): Mr. Speaker, in a more serious vein, at the launching of Small Business Week, 12 young business people from across Canada received the FBDB award for young entrepreneurs. Small Business Week is an annual occurrence that emphasizes the contribution of small businesses to our economy.

This year's theme is: Quality and Productivity: The Competitive Edge. This week, hundreds of activities are being organized across the country to give entrepreneurs a chance to exchange information. The award winners are from each province and are all 29 years old or younger. They were selected for their success in business and their innovative approach. The winner in Quebec was David Lauzon, 26 years old. David owns and operates a wood parquet factory in Papineauville, which employs 30 people.

In Beauce, in my own riding, our young people have a very developed sense of entrepreneurship. The federal government is proud of this record and wishes to congratulate all young entrepreneurs in this country.

* * *

[*English*]

LEBANON

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, yesterday I was witness to a very troubling event.

Members of the Lebanese community held a demonstration in front of the Lebanese Embassy here in Ottawa. What started as a peaceful march turned into a very violent rally. Fortunately, I was able to diffuse the situation through concerned dialogue.

I do not wish to put the blame on anyone, however, I would like to stress that violence either here in Canada or elsewhere in the world cannot and will never be a solution. Human rights must be respected and can only be achieved through peaceful negotiations and mutual respect.

It is only in this spirit of non-violence that we can hope that Lebanon will recover its sovereignty, independence and peace.

* * *

ED SHURTLEFF

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I rise today to salute an inventor, Ed Shurtleff of St. George, New Brunswick.

Ten years ago, Ed realized that money and resources were being wasted every time he threw away dirty oil, so he set out to invent a refiner, convinced that ecological concerns would make such a machine viable.

Four years later, he produced the first model of what would become the SX302 refiner. The device is now available for use by municipalities, truck fleet operators and conventional waste oil handlers.

Canada and the world need more inventors like Mr. Shurtleff. It is by controlling and eventually eliminating waste that will enable us to give future generations an environment in which they can live and prosper.

* * *

SMALL BUSINESS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I want to take this opportunity today to recognize the contribution of small business to the economy of Canada.

I want to recognize the spirit and determination of Canadian entrepreneurs as they attempt to run their businesses during these trying economic times.

In Prince Edward Island, 90 per cent of the businesses are small and, therefore, the greatest source of new jobs in my province. The rural nature of Prince Edward Island demands that small businesses play a vital role in both the economic and social structure of the Island.

With personal and business bankruptcies at an all time high in this country, a devastating 37 per cent, the area of small business deserves the attention of this government.

It deserves to be promoted and assisted with encouraging government policies and programs, not continually discouraged with regressive practices like the government's high interest rates which produce the high dollar and, of course, the goods and services tax.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, a November 10, 1989, internal government memorandum from Dieter Gruenwoldt to Bob Taylor gave the House a very important insight into what has been going on in relation to EARP legislation. I quote:

S. O. 31

The recent April 1989 Rafferty–Alameda Federal Court Decision relating to the Environmental Assessment and Review Process, EARP, has determined the EARP Guidelines Order in Council, 1984, to be a law of general application. The implementation of EARP is therefore no longer "discretionary"; it is now mandatory–

We have seen in the Rafferty–Alameda case that the government did not do its job. It is now in contempt of the courts and the law of Canada.

On the Oldman River dam case, the government has not lived up to the Federal Court of Appeal unanimous ruling and is now in contempt of the ruling of the court.

On the Kemano II project in British Columbia, it has given Alcan a special Order in Council exempting it from mandatory provisions of the law of Canada.

We heard last night that the Government of Quebec plans to proceed with James Bay II without applying mandatory—

Mr. Speaker: The hon. member's time has expired.

* * *

CORRECTIONAL SERVICE CANADA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I would like to pay tribute today to the dedicated employees in our penitentiaries, the Correctional Service staff.

Correctional employees are responsible for the custody and control of offenders who in many cases have become Canada's most hardened and dangerous citizens.

It is clearly evident that the environment of corrections is both stressful and perilous. It is very difficult for front line CSC employees to endure long enough to become eligible for normal retirement. It is urgent that the question of an early retirement and retraining package be addressed for these employees. It is imperative that such a plan be implemented.

Correctional Service employees play an integral role in safeguarding Canadian citizens. I am hopeful that members of this House will see fit to support their request for such a package and repay their vital contribution to society.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Late this morning the Canadian Press reported that the minister told the parliamentary committee that "Canada is ready to use force to get Iraq out of Kuwait, even without United Nations approval".

Why is the government contemplating using force against Iraq in this way without a United Nations resolution? Is this not a break with Canadian tradition and contrary to the spirit of the resolution adopted by this House and the letters the minister has sent to the external affairs critics of both opposition parties?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the Opposition and his party would do the House and, I think, the public of Canada a service if, instead of simply relying upon newspaper condensations of a committee hearing, they would consult with the members of their own caucus who were present at that committee hearing.

I made the point, which I think was generally agreed to by members of all parties in that very useful, calm, non-partisan joint session of the committees on national defence and external affairs this morning, that Canada has two principal goals. One of those principal goals is to have the resolutions of the United Nations accepted and to have Iraq out of Kuwait. Another of those principal goals is to use the United Nations and to operate under the auspices of the United Nations. We hope that we can accomplish both together.

We certainly do not want to leave Saddam Hussein in any doubt at all about the determination of Canada to support the resolutions that we have supported in the United Nations. We know that Saddam Hussein understands only the language of strength. There has been an unprecedented demonstration of strength. We do not want to give him any reason to believe that there will suddenly be some weakening of that strength.

On Canada's part there will not be, and so what we are seeking to achieve here, in support of resolutions of the Security Council, is a demonstration to Saddam Hussein that the only alternative open to him is to move back from Kuwait. That is the best opportunity to give peace a chance. That is the policy of Canada.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, if there is to be the kind of use of force the minister spoke of in the committee this morning, I ask him: Who will make this decision? Will it be the United Nations? Will it be the United States itself? Will it be Canada? Canadians deserve and need to know the answer to that question today.

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question or one very similar to it was put and answered in the standing committee this morning. I am sorry the Leader of the Opposition did not have the opportunity to consult with the members of his party who were active, constructive, non-partisan participants in that committee session this morning.

I have written to my colleagues in the House, the hon. member from Winnipeg and the member from Burnaby. I have indicated to them that if there is some change in the circumstances of decisions the Government of Canada has to take we will seek to consult Parliament and, if consultation is not possible, to advise Parliament.

I made it clear in the committee today that decisions as to changes in policy that Canada might have to contemplate will naturally be taken by the cabinet of Canada. We cannot always wait. Events do not always wait for us to come to Parliament to consult as to whether or not we should respond to a situation that, to quote the member from Newfoundland, his defence critic, "can hot up very quickly". His defence critic understands that. I hope that the hon. Leader of the Opposition might talk to his defence critic.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I want to assure the Secretary of State for External Affairs that I am asking the questions I am asking today precisely because I have consulted with my colleague, the lead External Affairs critic for the Official Opposition, as will be very clear when he gets the floor after I complete my questions.

[*Translation*]

I therefore wish to ask the Secretary of State for External Affairs whether today, he can give all Canadians the assurance that any decision involving the offensive use of our forces against Iraq will not be made without consultation and debate in this House and without a resolution by the United Nations.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all, I am glad the question was asked, because everything will be clearer after the questions by the hon. member from Winnipeg, since the questions put by the Leader of the Opposition indicate that the Liberal position is not clear.

However, I must point out to the hon. member—and I believe he is well aware of this—that there is a possibility that one of the permanent members of the Security Council might exercize its veto within the Council. It is therefore possible that a veto would make it impossible to act under the auspices of the United Nations. That is why we are now and in fact have been from the outset, negotiating carefully and diligently to find a way that would make it easier for Canada to arrange for a system that would make use of the auspices of the United Nations.

I hope the leader of the opposition is not about to say that Canada's commitment to being against the invasion of Kuwait by Iraq is something we are prepared to set aside if China, for instance, were to exercise its veto in the Security Council. That would be irresponsible, and that is not our position.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a related question, which he also knows is very much a concern to Canadians, dealing with the question of hostages.

We have now had statements by two U.S. cabinet ministers, Mr. Cheney and Mr. Baker, that Canada had been contacted about sending a high level delegation to Iraq to seek the release of hostages. We now have a statement from the state department spokesman, Richard Boucher, saying that President Bush and the Prime Minister in fact have talked about this matter yesterday.

I want to ask the minister what is going on. We have denials from the Prime Minister and the Secretary of State for External Affairs. We have assertions by the Americans that discussions are taking place.

Have we been contacted? Has there in fact been discussions with the Americans about whether to send a delegation? In fact, and perhaps most important, are we going to do something other than having our own officials in Baghdad make contact? Will we take special measures to seek the release of Canadian hostages presently being held in Iraq?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I had thought the member was going to pursue the line of questioning commenced by his leader, but I certainly can understand why he did not.

There are two questions at issue here. One has to do with a report out of the United States suggesting that the foreign minister of Germany and I had been invited by Saddam Hussein to visit Baghdad. That is false. I have not been invited. I have no expectation that there will be an invitation for me to go to Baghdad.

There was a question as to whether there had been conversations between the President and the Prime Minister. The hon. member will know that there have recently been visits, among others, by the former Prime Minister of the United Kingdom, Mr. Heath, to Baghdad and that there have recently been discussions with regard to the treatment of French citizens who are in Iraq.

The Prime Minister and the President were involved in a conversation the other day having to do principally with the acid rain question. It is entirely natural that they would have discussed this phenomenon that had involved France and that had involved the United Kingdom.

With respect to things that Canada might do, the hon. member asked a very helpful question the other day. I gave him an answer which I repeated in committee today, which I think and hope is helpful, that if there are serious practical proposals put forward by him or anyone else as to means by which Canada can help come home some of the remaining Canadians who are in Iraq or who are in Kuwait, and if that can be done in a way that is consistent with the Canadian support for the UN Securi-

ty Council resolutions, then naturally I will look very carefully at that.

The House would want to know that today fully 97 per cent of the Canadians who were in Iraq or Kuwait at the time of the invasion of Kuwait are home. Of the 3 per cent who remain, some wish to remain. There are some who are against their will. We want to have them come home.

If the hon. member has a practical suggestion that is consistent with the Canadian support of the Security Council resolution, naturally I will look at it.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary question. I think it would be very helpful if the Secretary of State for External Affairs would elaborate on the discussions held between the President of the United States and the Prime Minister about the Iraqi situation, particularly if in fact they discussed, as the Leader of the Opposition was mentioning, the potential use of force against Iraq.

Have there been consultations? Have there been those kinds of discussions to determine whether, how, and at what time we might take those actions?

In that case I would go back to the question of hostages and ask the Secretary of State specifically if he would undertake to send a special emissary to Iraq, a noted Canadian who might make that representation, or in particular to send a group of parliamentarians who are not associated with the government but could represent the interests of all Canadians in trying to seek the security and safety of those 59 Canadians still left in those war-torn countries.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think, but I want to confirm, if the hon. member shares my view that any action we take should be consistent with Canadian support of the Security Council resolutions. Does he agree with that?

Mr. Axworthy (Winnipeg South Centre): Uh-huh.

Mr. Clark (Yellowhead): Yes, and that we should not take any action that would send a false signal to Saddam Hussein who might think that Canadian will was slackening. Does he agree with that?

Mr. Axworthy (Winnipeg South Centre): Uh-huh.

Mr. Clark (Yellowhead): Yes, he does. Those are the conditions that I have set forward in my answer earlier. If there are proposals by the hon. member or others that will accomplish those goals and respect those conditions, then I am prepared to look at them very seriously.

The member and I had an opportunity in the committee this morning to talk about how my colleagues and I can best keep members of Parliament informed about developments that occur with respect to the situation in the gulf. A question was put to me regarding a particular aspect of a conversation between the Prime Minister and the President. I replied to that.

I intend to be similarly forthcoming on other particular questions that are put to me. As I said earlier today in the standing committee, and I think to the agreement of all members of the House, if some of those matters are matters which are best discussed in some confidentiality, I would request the opportunity to discuss those in confidentiality, but I want to keep the House of Commons fully informed.

Mr. John Brewin (Victoria): Mr. Speaker, let me remind the House of the statement the Secretary of State for External Affairs made to the committee this morning.

He said that he approved the use of force with or without the approval of the Security Council of the United Nations. That statement, I submit, is a green light to the United States and others to proceed without the approval of the Security Council, which is a position the Canadian government until now has been working to prevent.

Will the Secretary of State for External Affairs explain to the House what steps he is going to take to repair the grievous damage this statement has made to Canada's credibility as a member of the Security Council?

• (1430)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is inevitable that in an exchange like this, either my credibility or that of the hon. member will suffer. We will see whose does.

Because he was present throughout the debate, the hon. member knows that I repeated *à maintes reprises* the position of Canada, that our strong, strong preference is to work through the United Nations and that, indeed, we

have been bending all of our efforts to that end with some substantial success.

I think that the willingness of the United States to support the United Nations to the degree it has is due, among other things, to the consistent, effective, persuasive encouragement by Canada for them to take that position. That remains our strong preference. But he knows the United Nations system. He knows that there is the capacity among the permanent members to exercise a veto. It has happened several times in the past and has stopped that institution from being effective.

He also knows, if he has been following—and I am sure he has—the recent debates regarding events in Jerusalem, that it is possible for a series of conditions to be imposed upon resolutions that are taken by the Security Council that can either destroy consensus or make those resolutions less helpful than they would otherwise be.

I repeat, our strong preference is to have Canadian action and, indeed, world action, within the context of the United Nations. But we want Saddam Hussein to be in no doubt at all. We have supported sanctions. We want Saddam Hussein out of Kuwait. We prefer to have him out of Kuwait as a result of United Nations action, if that is possible. If that proves not possible, then obviously Canada is going to keep its word to the United Nations.

Mr. John Brewin (Victoria): Mr. Speaker, it is not just Saddam Hussein who is listening, but it is those in the United States who are now on the point of deciding a very critical issue, an issue which will put at risk the lives not only of Americans and Iraqis, but now, after the statements made by the Secretary of State for External Affairs before the committee, the lives of Canadians will be involved in this.

Mr. Speaker, it is absolutely critical that the Secretary of State for External Affairs make it clear to the United States that all parties in this House, and the Government of Canada, will not accept U.S. military action outside the approval of the United Nations.

Will the Secretary of State for External Affairs not support the United Nations in this, instead of just the U.S.?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we consistently have been supporting the United Nations and, indeed, have been successful in encouraging the United States to support the United Nations to a degree that is unparalleled in recent memory.

Perhaps I can best deal with this by putting a question to the hon. member. Is it the position of the New Democratic Party that if a permanent member of the Security Council vetoes action by the United Nations, then we should simply pack up our resolutions and let Saddam Hussein stay in Kuwait? Is that the NDP position?

Mr. John Brewin (Victoria): Mr. Speaker, the NDP position is that until all has failed, the United Nations must get the complete, unqualified support of this government, this Parliament, and this country. That is what the Secretary of State for External Affairs is required to do.

Some hon. members: Hear, hear.

Mr. Brewin: As a final supplementary, Mr. Speaker, let me ask for the government's intentions *vis-à-vis* the Canadian forces. The Secretary of State for External Affairs this morning made a general statement favouring the use of force with or without the support of the Security Council.

Is it the government's position that Canadian forces will be involved in such action? Will the government undertake to come to this House before any escalation of Canadian participation in military action in the Gulf takes place?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would think that Canadians who are interested in knowing what went on in the committee would want to avail themselves of the opportunity to read the committee report, and not rely on the questions that have been put by my hon. friend, or some partial media report.

He has asked for a commitment. I have given a commitment in a letter to his colleague from Burnaby, and to the member for Winnipeg. That commitment is clear. It was delivered. It was offered by this government in the spirit of trying to keep the House as informed as possible.

Does the United Nations have our unqualified support? Of course, it does. We want the United Nations to work. We want those auspices to be the auspices under which Canada acts. We recognize that there is a veto in the United Nations. But we recognize that there would not have been, for example, United Nations action in

Korea but for the accident of the absence of China. The question I put to him was not a debating trick. The question I put to him was, if there is a veto exercised by the United Nations that makes it impossible for a United Nations command, does he want Canada to say "Stay where you are Saddam Hussein"? We do not.

* * *

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Employment and Immigration. In the report the minister tabled today, it is evident that family class immigration will rise to a high of 100,000 in 1992 and drop sharply by 1995 to 85,000.

Why did the minister not follow her own policy just announced a year ago to increase family class immigration? What has she against family unification?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the hon. member can see from the table, this government is not at all against family reunification in Canada. Indeed, the numbers after 1992 remain considerably higher than they are today.

The hon. member has expressed his support in the past, as have other members in the House, for a balance between the humanitarian, independent and family categories, and I think that the definition of a family, which is based on core family members and dependency, would meet with the approval of members of this House and other Canadians, particularly since the number of family members will continue to increase.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, we used to have a 50 per cent family class. Now we have it down to 30 per cent. That is the difference in her policy.

[*Translation*]

Mr. Speaker, in the immigrant integration federal strategy unveiled today the minister did not suggest anything to help schools cope with the wave of immigrant children. Why does the minister refuse to lighten the burden of schools that simply cannot provide adequate educational training for immigrant children? Why?

Hon. Barbara McDougall (Minister of Employment and Immigration): First, Mr. Speaker, it is clear that in 1984 there were no dependents, none at all, just families. But the hon. member and his party are against dependents. Such was the situation that year. But in our case this is the first time we have drafted a five-year integration plan for the future. We are adding extra funds—$200 million—for integration and language courses for adults, of course, but for small children as well. We are now in a position where we can teach languages to 43 instead of only 28 per cent of the immigrant population. Still there is no denying that the provinces do have legal responsibilities in children's classrooms.

* * *

INTEREST RATES

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, I have a question for the Minister of Finance. The many personal and business bankruptcies are continuing proof that not only do government monetary policies drive Canada into a recession, but it is also becoming obvious that if we do have a recession in this country, Quebec is hardest hit among all the provinces. I want to ask the Minister of Finance whether he now intends to take every measure required to make sure that the Governor of the Bank of Canada, Mr. Crow, lowers the overly high Canadian interest rates?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure that I would agree with the premise of the hon. member's question. The basic question I have responded to on many occasions is that we are watching what is happening in the economy and what is happening with inflationary pressures. We have indicated very clearly in the past our sensitivity to what has happened with the 1.5 percentage point drop in interest rates over the course of the summer. I think the hon. member has a clear sense of what the policy is of the Government of Canada.

• (1440)

It is important for us to watch what happens over the course of the next few months. If we see a continuation of what went on during the summer, certainly that would be reflected in interest rates.

Mr. Douglas Young (Acadie—Bathurst): A supplementary question, Mr. Speaker. The interest rate is frozen today but the recession is moving ahead with a great deal of speed. The GST is part of that.

Mr. Speaker, I want to ask the Minister of Finance whether or not he intends to support the Prime Minister's off-the-cuff comments on the west coast about the removal of GST from books and educational materials or does he realize that no amount of snake oil and patchwork on the GST are going to make this palatable to Canadians. Is he going to let the Prime Minister play games that maybe it can be fixed after the GST is put it in place? Is he going to do what Canadians are asking him to do and withdraw the GST?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member talks about playing games. Canadians understand clearly the game that the Liberal Party of Canada is playing. They have seen their leader on the one hand saying, "We will kill this tax," and on the other hand, "We are going to have a commission"; on the one hand, "We are going to look at this thing again after we are elected," on the other hand, "We are going to kill the tax". People understand very clearly the games of the Liberal Party of Canada. The Liberal Party of Canada is playing a very cynical, partisan game.

On the one hand they have said we should get on with elements of tax reform, as Senator MacEachen, Senator Buckwold and Senator Kirby said back in 1987, but on the other hand, "Let's let Canadians think we are against this tax. Let's give Canadians a sense that we are against the goods and services tax", because deep down they know that this tax is important. It is a very cynical, partisan game that they are playing now and Canadians are showing that they are not fooled by it.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister of Finance. Once again the Minister of Finance and his tax-happy gnomes are acting without any sense of restraint. They are not content to tax literacy and harm the Canadian publishing industry, they have now decided to tax foreign books and magazine publishers by either forcing them to collect the GST from Canadian clients or by threatening to halt shipments at the border.

Has the minister considered the impact on Canadian publishing if other countries decide to retaliate against this global tax grab? Will the minister explain how this extension of the GST will not act as a barrier to cultural access for Canadians? Finally, will he not reconsider his punitive actions and withdraw this regressive taxation on all books, publishing and literature.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I responded on Monday and Tuesday to the last question. I think the hon. member understands quite clearly the position that we have taken with regard to foreign publishers of magazines that compete with Canadian publications. We want to put the Canadian publications in a position where they are not disadvantaged in relation to the publications that come in and compete with them.

If the hon. member is saying we should not give the Canadian publishers a level playing field, then I would like to hear that from him.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a supplementary for the minister. It's about cheatin' and hurtin'. Canadian bands playing Canadian bars and lounges will have to charge the owners of those bars and lounges the GST. As things now stand, American bands playing those same bars and lounges will not. As a result Canadian bar and lounge operators will be encouraged by the GST to hire American bands.

Will the minister agree that his GST will be cheatin' Canadian bands and leaving them hurtin'?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there ain't no such minister.

* * *

SENIOR CITIZENS

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Prime Minister. During his recent trip to Vancouver the Prime Minister made the following statement about Canadian seniors and I quote:

They should be in bed at 71 years of age having milk and cookies!

How can the Prime Minister make a statement that is so insulting and out of touch with Canadian seniors?

Some hon. members: Hear, hear.

An hon. member: No, he said that about Liberal senators.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I did not hear the statement, but it seems to me that it would be quite appropriate and applicable to Senator Hébert, if we keep in mind his behaviour in recent days.

Some Hon. Members: Oh, oh!

Mrs. Vézina: I will continue by stating that we as a government give priority to elderly people. We have programs which attest to the fact that the elderly make up an active and dynamic component of Canadian society. We will continue to defend our affirmative action programs for seniors, and I have the full support of both the Cabinet and the government in these measures.

[*English*]

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, criticism against seniors is criticism against seniors.

My supplementary question is directed to the Deputy Prime Minister again. From the Prime Minister's comments, are Canadians to conclude that people such as former Governor General Roland Michener, author W. O. Mitchell and human rights activist Rabbi Gunter Plaut, all of whom are over 71, should stop contributing and go to bed?

Is the government not aware that the seniors of this nation continue to make the country what it is today?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): See, Mr. Speaker, the behaviour of Senator Hébert does provoke a passionate response! I am convinced that the kind of behaviour we saw on TV last week is an insult to older people who are full-fledged and responsible citizens anxious to do their share in the Canadian community.

[*English*]

AGRICULTURE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is directed to the Minister of Agriculture.

The minister should be aware that, while American negotiators at the GATT are pressuring Canada to give up on supply-management, American politicians in Washington have passed a bill through both houses of Congress which will set up their very own system of supply-management in dairy.

Has the minister informed the Americans that their position on supply-management is totally hypocritical? Has he asked them if they will now, given this recent development, support our position at the GATT?

Some hon. members: Hear, hear.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, the Canadian position has been well documented and well thought out. It is a balanced and realistic position. We do not take our marching orders from the United States of America.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my supplementary question is directed to the same minister. He seems to be staying surprisingly silent while editorial boards across the country attack supply-management based on faulty information, I might add, that his ministry gave out a few weeks ago on subsidies to dairy farmers.

Will the minister stand in the House today and tell Canadian consumers the truth, that the actual amount of dairy subsidy given to farmers is only one-tenth of the $2.2 billion he claims to be giving dairy farmers, and that the only reason we pay more for milk here in Canada is because the Americans subsidize their dairy producers in billions of dollars?

Some hon. members: Hear, hear.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the proof of the pudding is in the Canadian government's position.

If the hon. member's position is such that he is not in favour of the Canadian position, which fully supports and strengthens the supply-management system in this country, he is about the only Canadian associated with agriculture who does not share that view.

Some hon. members: Hear, hear.

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[*Translation*]

THE ENVIRONMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, my question is directed to the Minister of Environment. When the hon. member for Lac-Saint-Jean was Minister of Environment our party supported his view that an environmental impact study be carried out before proceeding with the James Bay project.

We have learned today the the Government of Quebec will begin the construction of infrastructures for this project without first holding public hearings. So my question is: will the Minister of the Environment, in his fight for public hearings, support the former Minister of Environment on the same issue?

• (1450)

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I am happy to tell my hon. colleague that I discussed this issue this morning with my counterpart in Quebec, Mr. Paradis, and that his facts are not quite correct.

The Quebec Cabinet did not decide yesterday to allow the project to go forward but to ask Quebec Hydro to submit the 400 environmental studies done to the Ministry of the Environment for review. The Quebec government assured me this morning that no construction permit would be issued before this review is completed. We agreed, as we have done on several occasions, to have a proper environmental review done before construction starts.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, the James Bay II hydro project is the largest industrial project ever conceived in the history of North America. As the Minister of the Environment knows, environmental assessment of federal jurisdictions by the Government of Canada is mandatory, meaning that construction without assessment is illegal.

Will the minister assure the House that before any infrastructure construction or any construction of any of the ancillary parts of the diversions or dams will not be allowed to proceed by the federal government until the environment assessment process and hearings are complete and have been reported to Parliament and the people of Canada?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I will repeat again in English what I just said in French.

There is no construction permit to allow the project to go along. There is an agreement between the Government of Quebec and the Government of Canada to ensure that there is an appropriate environmental assessment process completed before construction starts. That is the state of this particular file.

* * *

[*Translation*]

LONG POINT MILITARY BASE

Mrs. Carole Jacques (Mercier): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday I met the hundreds of employees of the Long Point military base who were demonstrating against the eventual closing of the base following the recommendations contained in the Productivity Group's report.

Mr. Speaker, this closing would be an economic disaster for the Montreal region, since the military base is the largest industry in East Montreal with its 1,500 employees and the thousands of indirect jobs generated through its contracts with Montreal businesses.

Can the Minister guarantee us and confirm in writing that the Long Point military base will not be closed?

[*English*]

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as I have informed my colleague earlier, there has been a preliminary study of depots throughout Canada. I cannot provide the assurance that she requests because of budgetary restrictions, because of the need for operational efficiency, and because of the changing

geopolitical situation around the world. I cannot guarantee bases in any place in Canada or abroad.

What I can tell the hon. member is that any action that would be taken would need additional study. I can assure the hon. member that that study or any study has not been undertaken to provide that information and at this time there is no intent of closing Long Point.

* * *

[*Translation*]

IMMIGRATION

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Quebec Minister of Cultural Communities and Immigration recently said that the federal government had cut by 17 per cent the financing of programs to teach French to Quebec immigrants and that immigration had increased by 12 per cent in that province.

The Couture-Cullen agreement also had to be renewed to be brought up to date. The purpose of this new agreement was, according to the Minister, to confirm the exclusive right of Quebec to select dependent immigrants and to ensure Quebec is in charge of the linguistic, cultural and economic integration of immigrants.

My question, Mr. Speaker, is this: Is the plan announced this morning by the Minister compatible with this new agreement?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I dealt last week with the immigration agreement between Canada and Quebec.

Today we announced we would increase the funds for language training and counselling across the country, and Quebec is no exception. There is money for French classes in Quebec since the number of immigrants to that province is going up.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I wish the minister would explain why the agreement has not yet been signed, why she is acting unilaterally and exactly how much money she intends to inject into the plan so that French-language programs will be available to immigrants in Quebec?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I answered these questions last week and again this morning. If the hon. member would care to read the plan I laid on the Table this morning, perhaps he would realize what the situation is with respect to language courses for Quebec.

I remain very sensitive to the situation in Quebec, and I am very much aware of Quebec's concern about the proportion of immigrants coming to Quebec.

* * *

[*English*]

CORRECTIONAL SERVICE CANADA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, my question is directed to the President of the Treasury Board.

In May of this year, the former President of the Treasury Board met with delegates from Correctional Service Canada in Kingston, Ontario. At that time, the minister stated that he would undertake to deal with early retirement and retraining provisions for Correctional Service staff separately from the Public Service reform bill if that bill had not been tabled by early fall of 1990.

Can the minister tell the House what steps will be taken to facilitate this early retirement and retraining package for front-line Correctional Service employees?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to thank the hon. member for his question. Of course, in my new portfolio one of the very important challenges I have to meet is Public Service pension reform. The government is well aware of the importance attached to this issue by the Correctional Service employees and their representatives. I hope to be in a position to proceed fairly soon with this reform and I am sure the appropriate legislation will cover the people to whom he is referring.

OFFICIAL LANGUAGES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Acting Prime Minister.

This morning the Commissioner of Official Languages tabled a special report condemning the government for its failure to adopt the regulations necessary to implement the Official Languages Act passed by Parliament in 1988 with the support of all political parties. Two and one-half years have passed with increased attacks on bilingualism and this law has not yet been implemented.

Why has the government not tabled these regulations? If the government truly believes in the principles of bilingualism and this law, why does it not show some leadership and have this law implemented as soon as possible?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to reaffirm the commitment to the government to issuing these regulations as soon as possible.

I will tell the hon. member, in all frankness, that the law makes the President of the Treasury Board particularly responsible for that area and I take this very seriously. I would not want to introduce regulations which were very advanced without going through them myself and consulting with the *Fédération des francophones hors Québec* and Alliance Quebec. I have been doing that and I have also spoken with the commissioner. I know he has his own views on this, and I respect them.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, that is a lot of nonsense. It has been two and one-half years since the bill was passed and the consultations took place more than a year ago.

[*Translation*]

Mr. Speaker, during the debate on Bill C-72, the Prime Minister said that this bill was so important that Parliament should sit around the clock to adopt it.

Is this just another example of the Prime Minister's political rhetoric? If the legislation was so important at the time, is it now less important? Why doesn't the Prime Minister meet with cabinet around the clock to ensure passage of the regulations and the implementation of this legislation? Why?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I may recall that the Commissioner of Official Languages made some very important nuances that my hon. friend tends to forget. He explained that there were a number of things that had to be improved, but the legislation is in place, it already provides services and there are now 1,600 points of service in Canada. Furthermore, in the public sector, we have finalized 40 memoranda of agreement with the departments in recent months, identifying their responsibilities with respect to official languages.

I realize that we must get on with the regulations, and I am trying to as fast as I can, but I want to do it in such a way that it will help Canada exercise its full responsibility for official languages.

* * *

• (1500)

[*English*]

POINT OF ORDER

REPLY IN QUESTION PERIOD

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, during an answer I gave earlier today with regard to the situation in Korea, I mentioned China, inadvertently, when I meant to mention the Soviet Union. I want to thank the several colleagues in the House who drew my error to my attention.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr Speaker, I just want to put the question usually put on Thursdays to the government House leader. Could he inform the House what the agenda for the House will be for tomorrow, Friday, and next week, Monday and Tuesday.

Mr. Nunziata: And be nice about it, Harvie.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): There is the hon. member for York South—Weston talking about

niceness again, a ratpacker telling me to be nice. I am always nice.

Mr. Speaker, this afternoon we will carry on with Bill C-78, the environmental assessment review process legislation, which I hope we will be able to complete. Tomorrow, it would be my intention to call, for completion I hope, second reading on Bill C-73, Crown corporations dissolution, and second reading of Bill C-81, dealing with the UN Convention on contracts, a technical, non-contentious piece of legislation, as well as, hopefully, second reading of Bill C-82, having to do with the charging of fees in Quebec ports, simply to provide a legal basis for what is now occurring.

On Monday, I will call for the final day on second reading of Bill C-84, Petro-Canada. For Tuesday and beyond, I will have the usual discussions with House leaders of the opposition parties to see what can be arranged.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate receiving this information and it is very helpful. I wonder if I could ask my friend, the government House leader, if he has any idea when Bill C-46 might be brought forward. I remind him that in the throne speech of this particular Parliament, it was stated: "You will be asked to legislate new conflict of interest standards for parliamentarians". Could the government House leader give us some indication when we might have a chance to begin that in earnest?

Mr. Andre: As the House leader of the New Democratic Party knows, we have been struggling at great length in our House leaders' meetings every Tuesday to try to reach some accommodation for dealing with the legislative program of the government in an expeditious manner, and that continues to be our objective.

If the House leader of the New Democratic Party is saying he is anxious to see some scheduling so that we can all plan and we can put things and there will be no parliamentary tricks to delay and disrupt our agenda, then I would welcome those discussions and I look forward, with great enthusiasm, to the next meeting of our committee.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): These types of discussions should be done behind the curtain.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. de Cotret that Bill C-78, an Act to establish a federal environmental assessment process, be read the second time and referred to a legislative committee, and of the amendment of Mr. Taylor (p.14644).

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I am pleased to rise in this House to speak to Bill C-78, the Canadian Environmental Assessment Act, at second reading.

This government thinks that this bill is an important step forward in the campaign waged by this country to preserve and promote our environment. Bill C-78 is central to the overall objective of the government's "green plan": To make Canada, by the year 2000, the industrial world's most environmentally friendly country.

In fact, the Dutch government, a world leader in this area, wrote to the Federal Environmental Assessment Review Office that this new legislation will make Canada the most environmentally friendly country and help the Netherlands develop their own reform program.

We will meet this objective while ensuring that the law is clear, efficient and predictable. Our goals have not been achieved within the present regulations, defined by the courts, which have never been intended as anything other than flexible guidelines.

Given the great significance of this legislation, Mr. Speaker, I would like to briefly outline the four key principles used by the government in drafting the Canadian Environmental Assessment Act.

[*English*]

First, the government wanted an environmental assessment process that would be clear, consistent and predictable. There should be no uncertainty for any of the participants or any of the stakeholders in the environmental assessment process.

Second, we wanted a process that would be efficient and fair. Each project should receive the amount of time and the kind of assessment it requires.

Third, the government wanted legislation that would allow us to "anticipate and prevent" problems, rather than continue to struggle with the less effective and more expensive approach of react and cure.

Fourth, we wanted legislation that would encourage public participation and provide opportunities for the public to play a role in decision-making.

The Canadian Environmental Assessment Act is a good law designed to meet all four principles. It is the result of two years of broad consultations with a wide spectrum of Canadians, including governments, the private sector, native peoples, environmental and other special interest groups, the legal profession and environmental assessment professionals.

The Canadian Environmental Assessment Act delivers virtually all of the recommendations from those consultations. A major feature of the Canadian Environmental Assessment Act is that it will end the uncertainty and the confusion created by recent court decisions based on the 1984 guidelines Order in Council.

By giving the federal Environmental Assessment process the power and the precision of law, both the efficiency and the effectiveness of the process will be greatly improved.

While the current guidelines Order in Council has proven to be an effective environmental planning tool, the past six years of experience have identified a number of problems. For example, the current process does not allocate time and resources according to environmental risk. As well, the current process provides many opportunities for duplication in assessments between different federal agencies and between different jurisdictions.

In Bill C-78, Mr. Speaker, we believe we have achieved a number of substantial advances that will solve most of the major shortfalls of the old system. It will, for example, ensure that our environmental assessment resources are focused where they are most needed by directing projects into process streams according to their degree of environmental risks. Projects likely to cause significant impact on the environment will immediately be subjected to mandatory study. Projects that are similar to ones that have previously been assessed will be candidates for class assessment, and projects that clearly do not pose environmental risks will be identified on a government-wide exclusion list and be exempted from the assessment. In addition, Mr. Speaker, the Canadian Environmental Assessment Act will introduce mediation as a means of improving the efficiency of the public review process of major projects. Mediation will be the preferred choice for public review whenever all stakeholders are willing to participate and work toward a consensus on the potential environmental effects of a project and the measures necessary to mitigate those effects.

• (1510)

Mediation will involve representatives of all groups which have a direct interest in or are directly affected by a proposed project. In this manner, Canadians who are most involved with and most concerned about a proposal will be able to communicate effectively with each other, with the project proponents and with the responsible federal authorities.

To minimize the duplication of assessment processes, joint review panels will be established where another party or jurisdiction also has the responsibility to assess a project. The other party could be a provincial government, the government of a foreign state, a body set up under a comprehensive land claim agreement, a federal regulatory authority.

Further, another federal public review process can be named as a substitute for a panel review under the new act. One example of a substitute panel may be the National Energy Board.

Mr. Speaker, I am pleased to remind hon. members that the government is also establishing a parallel environmental review process for all proposals that require a cabinet decision, whether that relates to policies, programs, major projects, or to new legislation. The federal government is committed to an environmental assessment process for all its decisions, one that will preserve cabinet efficiency and confidentiality, but at the same time ensure that all decisions are open to public scrutiny.

[*Translation*]

An environmental impact statement will accompany the announcement of any cabinet decision. Thus, Canadians will be invited to examine thoroughly these public statements and Ministers could be called before the Standing Committee of the House of Commons on the

Environment to discuss the environmental effects of their policies, programs, projects or legislation.

Mr. Speaker, I would now like to go on to talk about some of the improvements which will make the Canadian Environmental Assessment Act much more efficient than the existing Order in Council.

First of all, the proposed Bill will ensure that an environmental assessment is carried out before the project goes ahead. This, Mr. Speaker, will ensure that environmental problems are identified and alleviating measures are in place before the actual work starts. That way, we will be able to maintain both a healthy economy and a healthy environment. As importantly, Mr. Speaker, we will avoid the actual process which, so often, turns out to be inefficient from both an administrative and environmental point of view.

Second, the Canadian Environmental Assessment Act will give the Minister of the Environment greater powers and increased control on the environemental assessment process. Nobody but the Minister of the Environment—not even the responsible authority of the project—will have the power to decide whether mediation or a panel review is necessary.

The bill will also give the Environment Minister the power to set up public review panels to assess the projects which could have serious transborder environmental effects on federal, provincial, Indian or foreign lands.

For instance, a project in one province likely to have environmental effects on another province or a federal or Indian territory, or even outside the country, would belong to this category.

Third, in order to ensure an effective environmental assessment process, this government will agree to provide major new funding for the purpose of fully implementing the process throughout. The addition of this new funding could even triple the current level allocated for environmental assessments.

In order to make it possible for the process to be effective, the Act will set up the Canadian Environmental Assessment Agency which will have an arm's laugh approach with all departments, including Environment Canada. Its mandate will be to assess and report on the implementation of the environmental assessment process throughout its organization, Every year, the minister will have to table in the House a report which Canadians will be able to examine.

Fifth, the new legislation will require the setting up of follow-up programs in order to ensure the effectiveness of the new assessment process. The Act will ensure that the setting-up of follow-up and monitoring plans will be part of the environmental assessment of all major projects.

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. minister, but his allotted time has expired. Is there unanimous consent to allow him to continue?

Mrs. Campbell (South West Nova): Mr. Speaker, I rise on a point of information. Did the minister not use his 40 minutes in the first half of this debate?

The Acting Speaker (Mr. Paproski): No, he did not.

Mrs. Campbell (South West Nova): I would like to know why he insults us by a 10-minute speech and asks for unanimous consent.

The Acting Speaker (Mr. Paproski): Perhaps the hon. member for Kingston and the Islands can straighten it out for the hon. member.

Mr. Milliken: Mr. Speaker, there were indications that the minister could not make it this morning to be here for the 20-minute speech which he might have legitimately given.

Mrs. Campbell (South West Nova): Forty minutes.

Mr. Milliken: No. This morning he would have had 20 minutes in the usual course, with 10 minutes for questions and comments. That time expired, and now we are into the 10-minute segment.

We recognized that the minister could not be here. There were discussions among the parties. We would be happy to extend his 10 minutes by an additional 10 so that he has a full 20-minute speech without questions or comments.

Mr. Fulton: Mr. Speaker, I rise on the same point. We are certainly glad. We understand the difficulties the minister had in being here earlier. We are certainly prepared to let him have the full 20 minutes but, like other members, we certainly hope there is unanimous consent to allow for a 10-minute question and answer period, which I am sure the minister would seek.

The Acting Speaker (Mr. Paproski): I will allow the extension of time, but I will not allow the questions and comments period.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Mr. Riis: Mr. Speaker, all that the minister is asking is that we revert to the way we were dealing with the matter earlier. I would ask that we seek unanimous consent to have the minister complete his remarks with a 20-minute speech—as a matter of fact a few moments extra if he wishes—and then the usual 10-minute question and comment period.

I seek unanimous consent to allow the minister to proceed that way.

The Acting Speaker (Mr. Paproski): Members have heard the suggestion. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Fontaine: No.

The Acting Speaker (Mr. Paproski): I am sorry.

Mr. Fulton: I rise on a point of order. Could you perhaps put it again, Mr. Speaker? It is a government member who is blocking unanimous consent for his own minister to speak.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Fontaine: I said "no", Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Okanagan—Shuswap.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, in preparing to speak today on this particular piece of legislation it was very tempting indeed to wander in here with a volley of criticism toward this minister and this government in respect of this particular bill.

It is so easy to criticize this government for the duplicitous nature of this legislation. In looking up that definition, duplicitous means double meaning, deceitfulness, appearing to be that which is not.

Far be it from me to suggest that the minister himself is duplicitous, or that this government is duplicitous. Certainly, in the eyes of Canadians, this legislation is indeed duplicitous.

Rather than a tirade of concern about this legislation, I would rather go into some specific details and show precisely where it falls down. Since the Hon. Tom McMillan was environment minister—and that was some time ago—this government has been promising strong environmental legislation and a strong review process that would be entrenched in law. Instead what we have is a weak and hollow shell of a bill. It has more holes in it as my colleague said than a piece of Swiss cheese. It is weaker in fact than the current guidelines within which the minister must work. It is a step backward in terms of an environmental review process, not a step forward.

• (1520)

It appears that government members are intent on ramming through this bill before the accompanying regulations can be drafted. One has to ask why. I think the reason is very clear, that they want this bill in place before the important decisions have to be made in terms of the specifics of the regulation. They want to leave it vague. They want to duck the issue in terms of a hard-nosed piece of legislation that could be brought down with respect to the environmental review process.

For example, cabinet decisions are exempted from this legislation. This would mean, for example, that a cabinet decision to cut public transit would be exempt.

Members from British Columbia are very familiar with the effect of having too much control by cabinet over these kinds of sensitive issues. Sometime ago, for example, the agricultural land reserve in British Columbia was put in place. There was a professional body of about 80 individuals called the Environmental Land Use Secretariat. This body was put into place to police those kinds of decisions; but the government of the day at that time, the Social Credit government of the day, decided to disband those individuals and decided that cabinet in fact would be the final answer as to whether a piece of land remained in the reserve or without.

We have seen the impact of playing politics with sensitive decisions in that manner. Certainly members from British Columbia have seen the weakness in having

direct political access through cabinet to those decision-making processes.

By giving cabinet decisions exemption from this legislation we see a direct political linkage here that is far from comfortable, the process far too political, far too fraught with error.

The bill leaves important questions unanswered, questions like: which projects are going to be covered? Which will be exempted? What legislation will actually fall under the act? How will Crown corporations be affected? Will foreign aid and development be properly assessed?

These concerns have been left to regulations that are yet to be defined. The regulations themselves, the teeth of the legislation, have been left undefined.

An hon. member: It sounds like a pig in a poke.

Mr. MacWilliam: The federal environment assessment and review office will report to the environment minister under this act. That is direct political control. This agency which is responsible for implementing the legislation should have been left to be independent, answering only to Parliament.

A number of reports including the New Democrats' report on the environment, *Towards a Sustainable Future*, and various environmental groups have called for the creation of an independent environmental auditor to review such government operations independently. This was in the original draft of the bill, but it has been axed. It has been watered down and completely axed in the final version.

It is clear that this legislation has been drastically watered down. It is now, in the government's words, "only an advisory process".

I want to go back a ways and suggest that six provinces have been successful in their appeal to the federal government to cut the guts out of this legislation, legislation that could have had teeth but has been watered down and made essentially useless. The Governments of Nova Scotia, Alberta, British Columbia, Ontario—the previous Government of Ontario—Manitoba and Quebec met sometime ago to mobilize, pressure and develop a strategy to water down the environmental assessment review process.

I want to read into the record a news release of the *Winnipeg Free Press* in May 1990. It states that the western provinces are demanding that Ottawa rewrite its environmental review guidelines so major projects cannot be halted for court ordered environmental studies. It goes on to say that Premier Gary Filmon said recent Federal Court of Canada rulings have created a nightmare for developers. Well, too bad. If the environmental review process finds that a development goes against the guidelines for sustainable development and goes against common sense in terms of preservation in the environment, too bad for the provinces. We should have that kind of legislation so there is some kind of regulated federal control over the kinds of procedures we have seen in the past and that we continue to see impact upon our environment.

Many projects, as I have mentioned, are now either in the process of being built or considered for construction. They may well escape these environmental review procedures. Let us consider the Rafferty-Alameda—we have talked about that a number of times—and the Oldman River project and the largest megaproject in the history of this continent, the James Bay project. These projects may well not be considered under these legislative guidelines.

In British Columbia—and the members from B.C. have talked on this time and time again—the Alcan Kemano project will divert all of the 12 per cent of the flow of the Nechako River into the Fraser River and divert it into another water course. If that project goes through without an environmental assessment, it will be a disgrace to the environmental integrity of the House.

The diversion of those waters will leave only 12 per cent of the original flow, dropping the level of the Fraser River by over three feet at Hell's Gate in British Columbia. It could have disastrous environmental consequences.

I know my time is limited. I have many other points that I would like to argue, but let me sum up by saying that Bill C-78, the environmental legislation now before the House will not—and I repeat will not—be a step forward but a major step backward. It is a duplicitous piece of legislation that will not do the job and I submit is not intended to do the job which the public believes it should be warranted to do.

Canadians want strong federal legislation and strong measures. They want a government with a commitment to environmental integrity and a commitment to the concept of a sustainable environment. This legislation

takes us the other way. It weakens what we already have in place. The government has not served the public well.

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for The Battlefords—Meadow Lake—Agriculture; the hon. member for Vancouver East—Human Rights; and the hon. member for Cape Breton Highlands—Canso—Fisheries.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is my pleasure to stand this afternoon to speak to Bill C–78, the government's proposed environmental assessment act.

I have to say at the outset that regrettably I am not an expert in the area of environment, but I do have a strong concern about the proposed legislation. I have in front of me some statements made by people who are experts in this country who along with me have expressed serious concerns about Bill C–78.

To quote from some of their statements, they are saying such things as: "Mr. Mulroney's government's latest environmental legislation is fundamentally flawed. Canada will return to the dark ages of environmental law if Bill C–78 passes in its present form. Bill C–78 proposes to replace current federal environmental assessment laws. The federal law presently requires that environmental impact studies be conducted for proposals likely to injure the environment significantly. Environmentalists assert that the presently proposed bill will give the government complete discretion over whether to hold environmental impact studies". Rod MacDonald of the Saskatchewan Action Foundation for the Environment is quoted as saying: "This bill completely fails to meet the objectives of environmental assessment."

• (1530)

The environmental assessment caucus of the Canadian Environmental Network met in Hull on September 28, 29 and 30 solely for the purpose of discussing the bill before us today. Thirty–five representatives from groups across the country were in attendance. Delegates unanimously called Bill C–78 a step backwards, directly contradicting the federal Minister of the Environment.

When we complete debate at second reading of this bill, a vote will be held. We will be voting in principle whether to support or not support this bill. If the main principle of this bill is purported to provide good environmental assessment to all projects in this country that are federal, and projects out of this country that are funded by the federal government or funded by other agencies with federal government input or projects that cross a federal boundary, that would be one thing. It is my belief that there is a principle hidden within this bill which is more significant and that is, that this government has full discretion when to call an environmental assessment review and when not to. That is of serious concern to me because I believe it is a step backward from where we are right now with FEARO.

I have particular concerns with regard to this bill. One of them starts with the preamble to the bill itself, which does not even express the words "sustainable development" nor support the principle of sustainable development. Instead, it talks about ensuring that economic development is compatible with the high value Canadians place on environmental quality.

There are all kinds of Canadians and some support environment in one way and some in other ways. I think what we are all trying to say is that whatever Canadian projects we are involved in, they must encourage and support sustainable development. It is a serious flaw of this bill that it does not speak in its preamble about the importance of sustainable development.

To change that we could propose an amendment. There are other amendments that could be proposed to this legislation that would improve it. I have to say again that I am more particularly concerned about what seems to be an underlying fact of this bill, that no matter how we amend it, whether or not an assessment is done is entirely up to the discretion of a minister, not even the Minister of the Environment.

The purpose of this act is to ensure that the environmental effects of projects receive careful consideration. I believe that the purpose of the act should be more ensuring than stating that projects receive careful con-

sideration. It should state that projects are to be fully reviewed and ensure that projects are scrutinized for sustainable development.

In clause 6 of the bill it states that:

> (a) in the opinion of the responsible authority the project is described in an exclusion list.

It sounds straightforward but it could lead to improper discretionary decision by a minister of the Crown. The key is that the opinion of the minister is sovereign and not a statute, and that again speaks to my particular concern about the wholeness of this bill.

In clause 11(3) we say that the scope of the environmental panel study will be determined by the responsible authority, the minister under which the responsibility of the project falls. This clause would be strengthened considerably if this responsibility were conferred on the Minister of the Environment. We have any number of ministers making decisions about whether or not a project will go to a panel and just how that environmental panel will determine its authority. I believe that the scope of the bill must be changed to provide for mandatory environmental assessment of projects.

Section 34 outlines clearly that if a responsible minister can justify the impact of a project, no matter how adverse, the project will be allowed to proceed. The discretionary power conferred by this bill in the responsible authority is a major flaw that could reduce the effectiveness of other parts of the legislation. In general, it leaves far too much room for industrial and business lobbies to influence the responsible authority to make a decision that would be contrary and detrimental to Canada's environmental protection objectives.

The Minister of the Environment was stating in his earlier remarks that one of the intents of the new proposal, Bill C–78, is to have in place clear, consistent and predictable outcomes. I would say that we have just the opposite, that what we would be approving if we went ahead with this bill is an assessment process which would be entirely unpredictable, inconsistent, totally dependent upon the discretion of whatever minister was in charge of a project.

I believe that in many ways this bill is going by us, it looks like a sheep but in fact it is a wolf in sheep's clothing. If a project were to get to the review panel stage, there are many things which I agree with in that process. However, even at the end of the review panel's deliberations on any particular project, that panel does not have judicial, nor quasi–judicial function but can simply advise. I do not have a great problem with that aspect of it, however the fact that we cannot get the public panel review process without undergoing a very discretionary process is of particular concern to me.

If a project does go to the review panel process, one of the areas that again is of particular concern to me is that projects that are carried on and funded in whole or in part by the Canadian government overseas can be exempt from environmental assessment under this legislation. I believe that in Canada we must view all aspects of the environment in terms of the picture that was taken by NASA of our planet earth some years ago. Mr. Speaker, if you look at that image in your mind you can see that the environment knows no such thing as political boundaries.

What happens in other countries of the world affects us. What happens to the environment in Third World countries can affect our environment here in Canada. I think it is absolutely necessary that we apply the same standards overseas as we do in Canada. We cannot penalize countries in the Third World with assessments that do not equally apply here in Canada. I believe that Canada must break out and set the example. An environmental assessment review process is equally important to all of our projects abroad as they are in Canada.

It is very important that we have public participation in all of the environmental assessments that we undergo and in our regulations. I think that we must make sure that when we are able to do environmental assessments overseas that we make allowances for public input to that process.

As I said, I am very concerned that there are going to be special regulations set aside for international projects, projects funded in full or in part by the Canadian government. We will be allowing environmental degradation to continue in the Third World which not only affects populations living in the Third World but affects us as well. We all must be very concerned about this.

• (1540)

Poverty is understood to be a leading cause of environmental degradation. I think that we must attack environmental degradation internationally from the grassroots level, dealing with individuals and the situations in which they find themselves. We must apply appropriate environmental technologies to ensure that people in the Third World are given the opportunity to live a better

life, but a better life that preserves our environment, not only for themselves but for us as well.

People in the Third World who are in need and who are beneficiaries of our projects want to have a voice in the projects that are put forward for their benefit. I think that we have a responsibility to help them to participate in the decision-making process.

The Acting Speaker (Mr. Paproski): Debate. The hon. member for Ottawa South, and then I will recognize the hon. member for Wetaskiwin. I will then go to the hon. member for Surrey North, and then the hon. member for Winnipeg North.

Mr. John Manley (Ottawa South): Mr. Speaker, I want to thank my colleague for Wetaskiwin for rearranging the time so that I could proceed now.

I think that this is a very important piece of legislation that we are dealing with today, important not only because of what is contained in the bill itself and the fact that it sets out in legislative form the guidelines for environmental assessment at the federal level, but also because it needs to be a representation of what the Parliament of Canada believes in terms of environmental value.

We have certainly been evolving very rapidly in our understanding as a society of the importance of preserving the environment, not just for our own enjoyment at the present time, but for future generations.

What this bill needs to do and what it perhaps fails to do is to ensure for all of us that the standards that we expect to be applied to the preservation and protection of the environment are done in a fair, clear, effective and meaningful way.

We know that this bill is an evolution from the previous guidelines that existed. One would hope that by taking the guidelines and putting them into statutory form, that an advance forward would have been made. In fact by actually taking what previously had been a guideline and saying it is now the law of Canada, it is in the statute books, that we actually would have been able to say, "Look at this. Canada has moved forward. Canada has established a rule of law with respect to the protection of the environment which will be a model for countries around the world". But I fear that the government has failed in the bill that it has put forward.

I point out the preamble where the object of the legislation is set out. The preamble states that the object is "to achieve an appropriate balance between economic development and the preservation and enhancement of environmental quality". That, Mr. Speaker, indicates the fundamental flaw in thinking that underlies this piece of legislation.

To see the environment and its preservation and protection as somehow in a continuum or as a trade-off with economic development is exactly the wrong approach to this issue. In fact, economic development for the future depends upon environmental protection now. It is not a trade-off. Our future economic well-being is not going to be improved by degrading the environment today. Our future economic well-being depends upon us acting today to preserve and protect the environment that surrounds us. It is as crucial tomorrow as it is today, as it was when we did not know about in years gone by.

At first blush, this seems to be a fairly wide-reaching environmental assessment structure because the environmental projects to be assessed, as set out in clause 5 of the bill, are very wide ranging and include almost everything where a federal authority is involved. But the first thing that strikes me is if the intent in drafting this clause 5 was to prevent the federal government from intervening where, in the interests of the peace, order, and good government of Canada, it should be intervening in projects that have an effect both interprovincially and within a province. The heritage that we have—

[*Translation*]

The heritage of Canadians is too important to be left only to the provinces.

[*English*]

If we have the power under the peace, order, and good government provisions of the Constitution Act of Canada, as we do, according to the Supreme Court of Canada, for example, to impose mandatory wage and price controls in order to prevent inflation, then surely the federal government will acknowledge that it has the power under the same provisions to intervene in development projects which are going to be environmentally harmful. Yet I do not see even a wish on the part of the

federal government to acknowledge that that jurisdiction may be theirs in the context of clause 5.

We then get into the process itself, the power of the ministers to exclude projects from environmental assessment and review. Clause 6(1)(a) states:

> in the opinion of the responsible authority the project is described in an exclusion list;

If that is the case, then it is exempt from environmental assessment and review.

The responsible authority is very broadly defined and can include, in the case of a department or ministry of state, the member of the Queen's Privy Council for Canada presiding over that department or ministry. In other words, any minister deciding that a project is on an exclusion list can prevent environmental assessment and review from occurring. As a minimum, that should only be the power of the Minister of the Environment.

The Minister of the Environment should have responsibility to account to the House of Commons for the welfare of our environment, as a whole. The Minister of Public Works should not be able, under clause 6, to decide that a project is exempt from assessment and review. Only the Minister of the Environment should be able to do that, if any minister is able to do it. If a minister is able to do that, and if it is the Minister of the Environment, then that decision should be reviewable. There should be an appeal. It should be possible for the people of Canada to take the Minister of the Environment to court and say: "You should not be exempting this. The implications for our environment are too great." That provision, as far as I can see, is simply not in this bill.

It strikes me in so many ways that this bill, although well meaning and although its time has come, is an inadequate response in the context of many events occurring in Canada, such as the Rafferty–Alameda situation and the Oldman Dam. We are seeing the guidelines being enforced by the courts first and the federal government being dragged along somewhat reluctantly. Now is the time to have a clear, legislated statement of what it is that we think should be the standard for the world, not only for Canada, in protecting the environment.

As I sit down, Mr. Speaker, I would like to acknowledge the great assistance of my co–op student, Tom Yurkiw, who worked so hard in preparing notes for this.

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, it gives me great pleasure to participate today in the debate, at second reading stage, on Bill C–78, the Canadian Environmental Assessment Act.

The time for speeches at this second reading stage is limited and because my native heritage is very important to me. I would like to focus my remarks on those aspects of the bill that hold special meaning for the aboriginal people of Canada. However, let me also be quick to add that this issue of environment is very important to the whole of my constituency.

• (1550)

Hon. members opposite have been very quick to find fault with the fact that Bill C–78 is a planning and consensus–building process based on the principle of self–assessment. It seems that they would prefer that every environmental assessment lead to a court enforceable edict by some all knowing and all powerful authority who would ensure that the best interests of the environment are defended against the inherent evils of development. Personally, I find this suggestion to be both naive and dangerous. It is also quite contrary to the very principles of sustainable development.

Long before the arrival of Europeans on this continent, native communities were both self–governing and self–sustaining. First Nations lived in harmony with nature and were as one with the land, with their ancestors, with their children and their children's children. There was no room in native society for practices that could deplete the natural resources and damage the environments on which future generations would depend. In fact, politicians, academics, and so–called environmentalists who proclaim the virtues of sustainable development, but who fail utterly in their attempts to define such development in practical terms, would do well to reflect upon the lessons learned and the way of life practised by untold generations of native peoples in North America. They have always been, and are still, concerned with management between development and conservation.

If I were to listen too long to hon. members opposite, I might have to conclude that the successful application of sustainable development in native society could only have been achieved through strong central decision making. But nothing could be further from the truth. The sustainability of native society has always been based firmly on consensus building, on a strong sense of community, on deep respect for the experience of elders, and on individual accountability for decisions and actions, in short, the very principles that I see underpinning the proposed Canadian Environmental Assessment Act.

Self-assessment and the accountability implicit in that concept tend to strike a very responsive cord with native people and with their ideas of sustainable development. I believe that in the environmental assessment process, the self-assessment approach will always be far more effective than one based on central control. By making individual departments and ministers of government responsible for the environmental assessment process, there is the potential to make some real progress towards changing attitudes about the environment and focusing decision-makers on the goal of sustainable development, progress that could never be made in a centralized system.

For example, under the Canadian Environmental Assessment Act decision makers will have to deal directly with the affected public, become sensitive to the public's environmental needs and concerns, and be publicly accountable for the environmental effects of their decisions. They will not be able to hide behind a central environmental authority.

Planners throughout government will have to learn to integrate environmental, social and economic factors, in short, to go beyond the platitudes and learn what sustainable development is really all about.

All departments and agencies of government will have to develop a sense of environmental awareness and stewardship. They will not be able to leave it all to one small sector of the bureaucracy and, in due course, every minister will have to learn to be an environment minister.

An environmental assessment process that puts all of the responsibility and authority for environmental protection in the hands of review panels or environment ministers is not going to move us along the path towards the goal of sustainable development. If anything, it is more likely to lead us rapidly in the opposite direction. What will put us on the path towards sustainable development is a process that puts environmental assessment responsibility and environmental protection accountability where it really belongs, in the hands of the individual government decision makers who make project decisions on a daily basis and that is exactly what Bill C-78 will do.

There are, of course, a number of other features in Bill C-78 that hold particular interest for native peoples in the country. While the legislation is not intended to define native rights, nor is it appropriate that such rights should be defined in environmental legislation, the bill in fact goes a long way toward recognizing a new partnership in environmental matters between the federal government and the First Nations of Canada.

A good example of this partnership can be found in the sections of the bill dealing with joint panel reviews. For the purposes of environmental assessment, the bill recognizes native land claim administrations and native self-governments as jurisdictions on a par with provinces and foreign governments. In this respect, first nations will have the option of being equal partners with the federal government in assessing the effects of any projects that may affect their joint or separate interests.

As well, provisions are made in Bill C-78 to adapt the environmental assessment process to projects on Indian reserves by means of a special regulations. Such special regulations will be developed co-operatively with First Nations. They will recognize the decision-making responsibilities of native peoples for projects on their reserves. They will also recognize the effective and comprehensive environmental assessment processes that many First Nations and native communities have already developed and put in place to deal with the effects of said projects.

Bill C-78 also contains important new provisions for follow-up and monitoring programs for all major projects. From a native perspective, listening very carefully to what nature has to tell us is a basic prerequisite to a healthy and sustainable society. For too many years, however, modern North American society has been blind to the warning signs that the environment has been trying to give it. Modern society has failed to heed these warning signs because modern society has been unwilling to listen to the environment and face up to the reality of what we have been doing to it. Basically, modern society has failed to stay in touch with the environment on which its livelihood and indeed its very sustainability depends. I have seen this occur on own lands during my own lifetime.

Bill C–78 will take a major step forward in ensuring that we listen carefully to the environment from now on and that we learn from the feedback that it is able to provide us. Monitoring programs will allow us to evaluate the accuracy of our environmental impact predictions and to judge the effectiveness of our impact mitigation measures. In this way we will learn quickly from our successes as well as our mistakes, and we will be able to improve and update the environmental assessment process as we gain experience with it.

Probably the most intriguing and innovative sections in Bill C–78 with respect to native interests are those relating to transborder environmental effects. These provisions will allow the federal government to provide much earlier and more effective protection to native land interests during a variety of claim and self–government negotiations.

For instance, once the boundaries of a native land interest have been identified and agreed to by the parties to a land claim or self–government negotiation, the Minister of the Environment will have the authority to establish a public review panel to look into any developments that could cause serious environmental damage to those lands, whether those developments will be located on or off the defined lands. In addition, the minister will have the power to issue an order, and back it up with a court injunction, prohibiting the development from proceeding until the minister and the native people are satisfied that any serious environmental effects can be mitigated. If that concern cannot be satisfied, then the project can be held up indefinitely or at least until the native people take over control of the land under their claim or self–government agreement.

Bill C–78 represents an important step forward in the federal government's environmental assessment process. It is also an important step forward in the government's willingness to learn from the First Nations of Canada about the principles of sustainable development and to work with the First Nations of Canada to protect their common environmental heritage.

As a native Canadian and as a member of the government, and, as I said, because of the importance of the environment to Wetaskiwin, I am prepared to offer my strong support for Bill C–78 for the very reason that it is an effective planning and consensus–building process based firmly on a principle of self–assessment.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, today we have an opportunity to reflect on a great Canadian dream, to have an environmental assessment act so that we can secure for ourselves and for our children in the future a secure life and a secure standard of living.

Debate on this bill brings us to the concepts of economic development and environmental conservation. The two must be linked and that bridge is what we call sustainable development.

Currently there are laws and regulations to protect the environment, to avoid the threats to air, land and water, and the threats to plants, animals and our citizens.

What are some of the consequences to human health, for example, of global climatic change, a real environmental concern today? We can expect due to increased climatic heat an increased number of deaths among our elderly citizens, among the chronically ill and debilitated persons, and among our young infants. We can expect increased death and incapacitation from lung diseases such as asthma, chronic bronchitis, emphysema and bronchiectasis. They are chronic diseases which could make it difficult for patients to breathe.

• (1600)

There are also consequences of global climatic change that emanate from the thinning of the ozone layer, not only from the heat itself. Due to this thinning in the ozone layer, we can expect an increased incidence of skin cancer among the Caucasian population of the world, an increased incidence of cataracts, a reduction in the immune response of the body, and thus the individuals are subject to infections and to increased gravity of infection.

The global climatic change also poses adverse effects on food supplies and agriculture in general. These consequences definitely ask for solutions. One approach is to ensure that binding, effective environmental assessment processes are in place. Thus, there is an opportunity for all of us, government, citizens, businesses, everyone, to face a challenge, to do a job in partnership.

Growing concern with the quality of life, that is good health and a good standard of living, is evident in Canada and in other countries as well. It is believed, for example, by 88 per cent of Canadians that pollution has adversely affected public health. Forty-nine per cent believe their own personal health has been affected. Seventy-three per cent believe pollution is a major cause of cancer and 81 per cent of Canadians believe that pollution problems threaten the very survival of humanity.

Indeed, we Canadians are rightly preoccupied with our environment. It has become a rallying point for us to take steps to protect it by recycling or paying more for products and to pass legislation which would ensure the environment would be for our productive use today as it would be for our children of tomorrow.

We now understand what our reasonable environmental expectations are and we understand even more the depth of our commitment to future generations.

What are some of the basic requirements for environmental processes? Mr. Robert Gibson of the Department of Environment and Resource Studies, University of Waterloo, in September of this year produced an excellent document which I feel could serve as a useful framework for evaluating the bill before before us, Bill C-78.

The most important concerns I have on this bill relate to two basic issues: what environmental assessment requirements should we expect to accomplish? Second, how do we ensure that the expectations will be met? Two expectations are apparent today. There ought to be full consideration of environmental factors and public and private decisions must extend to cumulative and global responsibilities. No longer sufficient is careful attention only to immediate and local concerns.

The second expectation concerns the resulting decisions which should positively and significantly contribute to achieving sustainability. Admittedly, there is no precise definition of the term, but the concept is clear enough, that is that our use of resources today for economic development must ensure we have continuing reserves of these resources as well as for the future. The test of sustainability of development must encompass not only the biophysical but also the social, economic and cultural environment. Inherent in this test of sustainability are the beliefs that equity, acceptability and durability are met as fundamental criteria.

An environment assessment process design must therefore fulfil three basic principles: It must be effective, it must be practical and it must be efficient.

The third principle, efficiency, demands fairness to all parties be delivered.

The second principle requires the process and its demands to be understandable and easily doable.

That it ought to be effective means we ought to be able to encourage, guide, and, when necessary, to force the proper things to be done.

Does Bill C-78 stand the scrutiny of the foregoing basic requirements and principles underlying environmental assessment process? Let me quote: "Canada will return to the dark ages of environmental law if Bill C-78 passes in its present form", said Mr. Brian Pannell of the Manitoba Environmentalist Inc.

As a Manitoban, I definitely agree with this serious indictment made by Mr. Pannell. But why?

The purpose of this bill is to create binding legislation to ensure that environmental assessments are carried out on certain projects within federal jurisdiction. The purpose is excellent, but several flaws are evident.

Allow me in the remaining minutes to focus on a few specific clauses and to consider some amendments. I would suggest, Mr. Speaker, that clause 4(b) should be amended to include sustainable development as a purpose of the bill "to bind responsible authorities to the concept of sustainable development"

The purpose of this act in clause 4(a) should read: "That projects are fully reviewed and scrutinized to ensure sustainable development, as defined in subsection 2(1)".

In fact, in the preamble we say we believe in the concept of sustainable development.

In conclusion, I would like to say that sustainable development is a concept that requires a strong mind and a strong heart for what are required are reorientation in our current economic strategies, as well as a will to make financial transfer payments between and within communities, provinces and countries.

The concept challenges us to self-evident truths that this human planet can survive without us, but we cannot survive without its life support system.

In its present form, I cannot support Bill C-78.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, there are very few times in Canadian history that the public came together unanimously to either support or reject things.

We have a situation in Canada right now where the public is together because they oppose the GST. We have a situation where the Canadian public is quickly coming together, wishing that this non-elected Senate be abolished because of the plugging of the Senate by the Tories and because of the double-cross by the Liberal senators when they did not take their opportunity to kill the GST.

We also have in Canada a coming together, a consensus of Canadians that they want an environmental review process that will have some teeth and ability to protect the environment. There is a strong consensus growing in the Canadian public that they will not tolerate this type of inept legislation. They say that the environmental process must have at least these six principles. They may want to have others.

• (1610)

First, the environmental review process must be non-discretionary. No cabinet should have the discretion as to whether it is going to take place. Mandatory, that is the first principle.

Second, the environmental review process must be independent, particularly of political interference from government. They will not accept anything less than that.

Third, the process must be open, open to the public and open and above board so that people know that a proper and thorough assessment is being done.

Fourth, they want it to have the technical competence to really examine all of the issues involved, not just some of the peripheral ones but all of the implications both in terms of that immediate project and the long-term effects. Some of them are quite far away. We have heard of examples and I will be referring later to the effect of the Kemano II project, hundreds of miles away on a riding like mine in Surrey.

Fifth, they want the panel to have independent research so that they are not relying on what Alcan tells them or what some other developer tells them or certainly not what some cabinet minister and his department tells them.

Sixth, they want there to be the possibility for real and serious interveners participation where they will have funding and resources and time to properly put their position before a review panel.

I mentioned in this House yesterday the Big Bend in Surrey. It is one of the last freshwater marshes on the lower Fraser River estuary. Right now it is under tremendous threat because of the lack of an environmental review process. The CNR, a tool of government, expropriated the whole area adjacent to the marsh for an intermodal yard. It put it in. The municipality, the local people, no one had a say.

Now we have upstream Kemano II being started where the government has waived an environmental review. It is going to drop the Fraser River three feet. What is the effect on Surrey Big Bend going to be? We have marine life there. It is a fish habitat. It could be very critical and is undoubtedly very critical to salmon spawning. We have beaver there. If you drop the water level three feet, what effect is that going to have on the beaver? There are blue heron. No one has done an environmental impact. We have a developer coming along and saying: "What I want to do is just fill the whole thing in, preload it for an industrial site, dump dirt in there, and backfill".

There has got to be a mandatory environmental review process. I can tell you, Mr. Speaker, that the residents of Surrey and my riding will not tolerate a bill like this. They will not accept it where there is discretion at every

step of the way. They want a bill that will be mandatory, open to the public, in which there will be an opportunity for them to participate in that review and to ensure that the environment is protected.

This bill allows discretion, particularly by the government and by the ministers. It does not even call or allow for environmental review of government policy. Government policy is exempt. The NDP report *Towards a Sustainable Future* talked about an environmental auditor who could independently review government operations and policies. That is what is necessary.

When the land commission in B.C. was first established under the then premier, the member from Esquimalt, its hallmark was that it was an independent land commission, at arm's length from the government, which had authority to act in the interest of the community. Everyone knows what the Socreds did. We also know that in B.C. the Socreds and the Tories are the same people. We have another example here of where people are determined not to have an arm's length body to protect the environment and the interests of the Canadian public.

In closing, I wonder what is the sudden reason for the change in process that the government has brought in. A process was set up where it was going to review this legislation before it was brought back to the House so that some of the major changes that everyone agrees must be made could be made and it could be redrafted before it came back. Now it has been dispensed with. People want effective environmental legislation, but they do not want it done so quickly that it is ineffective.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I am glad I was in the House to listen to the speech from the last hon. member who was very anxious in laying blame on all the other villains and perpetrators of environmental damage, particularly in other parties.

It brought to mind some history. It is too bad he is not prepared to stay to listen to it. About 20 years ago I was the chairman of the environmental council in Manitoba, the first time it was established. The issue at that time was a major hydro project that was being initiated by the then Schreyer government which carried the label: New Democratic Party.

Mr. Green, its the minister of natural resources, would meet with us on a periodic basis, bang the desk, take his shoe off, throw it at people, scream, yell, jump, and say: "By God, the progress of Manitoba was not going to be stopped by a bunch of environmentalists who were going to get in the way of this major project."

I spent almost three years as chairman of that council before I was elected to the Manitoba legislature. I can probably say one of the reasons I got elected was my stand against the New Democratic Party government initiative in flooding something like 300,000 to 400,000 acres of northern Manitoba waterways, displacing thousands of native people and aboriginals in Manitoba and, to this day, not acknowledging that any compensation should be paid.

I can recall Mr. Green, who I know is carried as one of the great heroes, a paragon of New Democratic representatives at the time, was the one who said that by God environmental assessment was something that would happen over his dead body.

I say this simply to remind my hon. friends to the left that it is time that self-righteousness gave way to some self-consciousness and recognition that this entire community and all parties are culpable and that nobody can escape some serious responsibility for having made the wrong decisions in the past.

Unfortunately 20 years later we are making the same mistakes. It seems that we have not learned an awful lot in those 20 years. We are now using the language of environmental accountability and responsibility, but there is still a basic reservation or a lack of willingness to understand just how crucial it is that we change the ethic of our time. It is understandable—and you, Mr. Speaker, in particular would understand it, coming from the province of Alberta—coming as we do from western provinces where for a long period of time the initiation of major capital projects was our lifeblood. Hydro projects, pulp and paper projects and the development of our natural resources, in the opening of the west those were considered to be good things, not bad things. Over time we are learning that what was a good thing also carries with it very bad consequences.

• (1620)

I want to make the case that I think my colleagues up to now have done a superb job in pointing out the serious gaps in this legislation. I also want to say that this will never work. Environmental assessment will never work until we find a way of balancing those fundamental

questions of fundamental development and environmental accountability.

I do not think that anyone takes pleasure out of the federal government be a policeman in terms of the actions of the provincial governments. We can see down the road a whole series of potential conflicts, but one way to ensure that there is a more reasonable accommodation is to get the right federal legislation in place. That has not happened. Loopholes and escape hatches are provided and the clauses by which discretion can be exercised do not give a clear message to provincial governments that at the federal level continued abuse or degradation will not be tolerated. However, there is always a way of slipping through, of getting around, and of short-circuiting the system.

I would prefer somewhere down the road for some future government to work out a new arrangement where we share responsibility between federal and provincial governments on these projects. I think that our own creative juices should be employed for finding out how we can share jurisdiction for environmental assessment.

I think it is particularly crucial in the case of fresh water. One of the great mythologies of Canada at this time is that we are a country that abounds in fresh water. That is not true. We have lots of water. Much of it is in places that are not accessible and, where it is being used, it is running out.

We saw a case in this House only a short week ago when we argued over the Rafferty-Alameda dam. What was at stake was a large part of the Palliser Triangle in western Canada which is dry and needs water. Having been born in Saskatchewan and knowing the people well, I sympathize with the feeling that that part of the world cannot survive many more of the droughts that we have had over the last few years.

The quick fix solution that Mr. Devine offered—build a dam and it will all be solved—is not the way to approach the problem. I know that the Senate is not exactly a word that comes lightly to the lips of members of Parliament on the opposite side these days, but I recommend a Senate study that was done a few years ago by Herb Sparrow, the senator from Saskatchewan, on water conservation on the prairies. It pointed out that we did not need a big, grandiose megaproject to solve the water problems. The real answer is a series of small steps to conserve the soil, to bring about a different raising of the water level in the prairie region, something that should have been undertaken jointly by federal-provincial governments.

No one had the political will to do that, so it ends up in a confrontation. We have angry words between federal-provincial governments. We have fights in the House of Commons. We have demands of the federal government to step in and stop the project.

I was pointed at and I have no apologies for that, because it had gone too far. However, we had wasted two, three, five or ten years initiating what Amory Lovins once called the soft half toward project development: small irrigation projects, water reservoirs, ways of controlling the salinity of the soil. A whole series of such measures would require some investment, some involvement and some joint planning. They would not require legalistic confrontation.

In my view an environmental assessment should be in effect the last resort. When stupidity prevails environmental assessment is brought in to put a stop to it. We could avoid a lot of that if we began to have a pro-active environmental program and began to say: "Let's not do the big capital projects any more." Maybe we have to say that like the dinosaur the age of the huge megaproject must come to an end, and that whether it is in energy, water, or resource development there is a better alternate way which does not do the kind of damage to the environment we have seen in this country but preserves and conserves water, develops resources and creates wealth. The two must go hand in hand.

It is important that we are debating Bill C-78 in isolation. We should see it in the context of a larger package of the green paper and other areas or, more important, in a willingness on the part of government leaders at the three levels of government to come together and start doing some joint development and planning in order to deal with environmental problems. We are caught in the compartmentalization of this country: here is a provincial right, here is a federal right, and where they clash we will have a fight and take it to court. It is about time we realized that water and air pollution does not recognize provincial or federal boundaries. It is shared by all jurisdictions.

I have a case in point in own city of Winnipeg where I am trying to promote the development of a tri-level task force to deal with the degradation of water in the three rivers running through that city. I think that is a more constructive way to approach the problem as opposed to ending up in front of the tribunals.

I am saying what we should do in the future, which is the reason this bill is important. Unless we have the proper tools at the federal level, the message will not get through. We should be able to see where this kind of madness has prevailed and say that we are trying to solve the problem by building a big capital project and bringing about all kinds of unintended consequences. Until we can say we have the right to make such assessments, we will not begin to get the proper discipline and proper ethics in place in other parts of Canada.

This is as much an ethic and discipline upon ourselves as it is upon others. I am sorry in a sense that the legislation does not reflect that reality, because this in some ways could be the most important way for the federal government to say it is changing its rules. As long as the loopholes are there and the open clauses and the ways of slipping it through, people will continue in their cynicism, believing that the government is not really serious about its responsibilities to the environment.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I was not originally planning to speak to this legislation, but since it touches upon the environment I feel compelled to address a couple of very specific issues such as the binding of the legislation and the power of the federal government to enforce it.

A few months ago I asked the Minister of the Environment about issues that affect Canadians, that is the issue of infrastructure and the issue of controlling the dumping of raw sewage into rivers, oceans, lakes. At the time the minister specifically stated that it was within the jurisdiction of the provincial governments to do so, that the issue was a provincial responsibility and that the federal government had nothing to do with it.

In light of this particular bill, I wonder whether the minister or the government will maintain the same position they had all along or whether there will be some change in terms of that position and they will be playing a more active role in the area of enforcement.

There is another example where sustainable development plays a very important role. If we are talking about dumping raw sewage into the oceans, of course the negative impact will be tremendous in terms of the fishery and the quality of life for people who rely to a large extent on fishing.

At the same time, the groups that have opposed the legislation are skeptical about the ability of the federal government to listen to their concerns. For instance, if the government is to set up some sort of an advisory body or public participation process, would a decision of the advisory body or panel, *per se* be a binding one or not?

• (1630)

All in all, Mr. Speaker, I think it is a good move on the part of the government to start addressing the issue of the environment. But I think it is extremely important to look at all aspects of the bill before proceeding with it.

I do not think it is too late for the government to go back to the different groups that they have been consulting with, the opposition parties and the public at large, to find out the areas where there are concerns, and try to address those concerns.

In general terms, as my colleagues who have spoken a little earlier stated, the issue in Saskatchewan is quite an alarming one, where we have seen the different jurisdictions fighting over an environmental issue.

I think the time has come for the different levels of government to sit down and really define the responsibility a little more clearly. I would suggest they should forge a partnership between all levels of government when it comes to the environment. I think that it is extremely important to agree on enforcement. Who will oversee the enforcement and who is going to pay for the implementation of it? How are the different relations between the two levels of government going to take place?

There is another important factor and that is the municipal level of government, because the municipal governments are not part of what we are doing. They have been left out.

I might add that some municipalities in our country, whether they want to or not, are contributing to pollution and the degradation of our environment. Unless we bring that third level of government into the picture, we are going to find ourselves in a bit of an awkward situation when it comes to major problems, whether they are federal initiatives, provincial initiatives, or for that matter, whether they are third sector initiatives.

Mr. Speaker, I think it is time for the minister to take a deep breath, go back a little bit and start with that objective in mind, that is, the involvement of all of the partners in the issue of the environment. We must make sure that everyone is buying in because unless all levels of government buy in to what the federal government is doing, I do not think we will see this bill succeeding.

I do know the minister has the environment issue at heart. I know he is very serious about the issue and I think it is quite timely for him to start this consultation process and bring those different partners together.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in addressing Bill C-78, an act to establish a federal environmental assessment process, I want to say right off the bat that, in our view, this is not a good bill.

It is long overdue. It has been long awaited. It is full of missing links and the process that led to the bill before us was short circuited.

Finally, it is a recipe for conflict because of what is missing in the bill, and I will come to that in a moment. The bill before us is not a recipe for resource management or conflict management, or a recipe for conflict resolution, but, rather, it is a bill that creates conflict by indecision and by what is missing from it. It is management for conflict, not to resolve conflict.

What is wrong with Bill C-78? First of all, the bill will be less effective than the EARP guidelines currently in place. It will undo progress made through court decisions like the Muldoon decision on the Rafferty-Alameda dam. Measures in the bill are left to the discretion of the environment minister, making it difficult for the courts to order compliance. Cabinet decisions and government policy, in general, will be exempted from the law, and although intervener funding has been promised, it is not in the legislation, so it could be easily withdrawn.

In addition, the level of funding is not clear. Crown corporations, CIDA, and export development corporations are exempted. Basic questions like, which projects will be reviewed, which will be exempt, and what rules will apply, are not answered by this bill. This will be in the regulations which can be easily changed by the cabinet, at the minister's and the cabinet's discretion.

When it comes to process, the bill was introduced and first reading was given on June 18, 1990. It was then referred to a special pre-study committee. The pre-study committee was disbanded before any work was done, and now we have the bill before us for second reading.

Just that short list of inadequacies and missing links is enough to make one think that this is the animal that was created by the proverbial committee, the double-humped or, in this case, the triple-humped camel. Except it was not done by a committee, it was done within the bowels of the ministry, with a pre-study committee that never got a chance to really adequately deal with the subject matter placed before it.

I would like to put this bill in the context of a dispute, a resource conflict which has taken place and is still taking place within my own constituency. The proposal for the modernization and expansion of the Celgar pulp mill in Castlegar, British Columbia first came to public light at the end of 1989. The Celgar Pulp Company is proposing to expand its bleached kraft pulp mill on the Columbia River, at Castlegar, B.C. The company operates as a joint venture between CITIC Inc. and Power Consolidated Pulp Inc. of the People's Republic of China.

Celgar filed an environmental impact assessment report, as a prospectus, with a major project steering committee in December of 1989. It was not until the end of June of this year, a full six months later, when we finally got the federal government and the provincial government to get their acts together to put a combined impact review process into place.

In that time feelings naturally arose, as they do in any community and especially in a community with as many activists, both pro and con, on these kinds of issues as mine does, and the absence of a review process, one that was in place or could be easily put into place between the two levels of government—and nobody suggests that that

is an easy thing to do—led to an escalation of that conflict.

That is what I mean when I speak of the absence in the bill of any kind of a clear outline of a process that has to be followed. It is a recipe for that continuing kind of confrontation and escalation of community conflict. If our purpose, as politicians, is to create conflict rather than to resolve it, then we could not do better than to adopt the very vague recommendations and solutions presented in this bill.

At the beginning of the summer, I put out a "Householder" in my constituency, as we all do. I laid out my own position regarding this particular proposal as it relates to my constituency, and the modernization and expansion of Celgar Pulp very clearly. Frankly, my own judgment is that it is a sound proposal and, in fact, cleans up the environment and I made that clear. But it has been difficult to try to be any kind of a voice of reason and to keep people on the same course, in terms of building long-term, stable communities with some sensible and renewable economic growth and, at the same time, with a greater harmony between ourselves and our environment, when nobody knows what the ground rules are.

I would just like to read from the short statement I made in that "Householder":

> On the home front, while we now have an announced timetable and process for considering Celgar Pulp's proposal for a new and cleaner Castlegar mill, the question remains: Did it really have to take so long?
>
> Surely it was not too much to ask, as I had done since my first meeting with Celgar officials in Vancouver last January, that federal and provincial ministers and officials get their act together early to launch a joint review mechanism that could deal openly and expeditiously with this long-awaited application.
>
> It was obvious for months that the law and the courts would require a joint or parallel review process—and that delaying its start could only jeopardize the prospects for a development which has been awaited for some 20 years.
>
> There are costs to any development. But in my opinion, the costs of not proceeding with this one are higher, for both the physical and human environment—and with no local benefit—than conditional approval.
>
> Let's hope, in spite of the dithering and the delay, that we still have a choice to make.

• (1640)

I ask the minister and the government to take a second look at this piece of legislation, and while we still have a chance as a Parliament, to draft legislation which will work, which will lay out a process that can be accepted by industry, by labour, by environmental activist, by all of us who care for sane development, so that we will know what the ground rules are and investment decisions can be made.

Certainly industry is not going to be particularly overjoyed with a new set of rules and regulations, but it is better than not knowing what the rules and regulations are going to be. This will give us all a chance to adopt proposals within our own areas which are sensible, which are sane and that we and our children can live with.

One of the other problems we have is the absence of anything clear on intervener funding. I would like to read something very brief from a paper that was just circulated to many of the publications in my area. It concerns the current process in and around Castlegar:

> The approach of the—hearings causes further frustration. Celgar can trot expert witness after witness before the review panel, all of them paid for with money made from the public forests. Yet the public has not been provided with funds to hire consultants; the only experts testifying for the public will be the few who were willing to come for their expenses and a small fee raised out of the pockets of local residents. Lawyers know very well that an "expert" can usually be found who will corroborate just about any side of an issue, because the facts can always be selectively made to line up with one's personal outlook and motives. It is only by hearing a large and balanced number of experts serving various sides of the issues that the truly irrefutable facts can be established.

Mr. Speaker, it is important to have full intervener funding. We have to make decisions and make them expeditiously. It has to be a process that is seen as fair by all if we are to manage conflict rather than to create it.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a pleasure today to rise and speak for a brief time on Bill C-78, the Canadian Environmental Assessment Act.

I think it might be somewhat helpful at this stage for some who have not been following this to first of all go through a little bit about the environmental assessment process. The process that we are looking at now is to replace the former process called the Environmental

Assessment and Review Process, commonly called EARP.

The environmental assessments are intended to determine whether a project or activity will harm human health, fish, or wildlife, or their habitats, and if so, how these affects can be mitigated. If environmental damage cannot be mitigated, the review should force a halt to the project or activity under review.

What do we have in this particular reform package, Bill C-78? We have a promise that all cabinet decisions will be reviewed for environmental impacts although these reviews do not have to be made public. We have $100 million per year in additional person-years for the EARPs and we have interveners or participant funding to support public participation in EARPs.

What is wrong with Bill C-78? The bill will be less effective than the present EARP guidelines that we now have in place. It appears that it will undo the process made through court decisions like the Muldoon decision on the Rafferty-Alameda dam.

The measures in this bill are left up to the discretion of the environment minister, making it difficult for the courts to order compliance.

Cabinet decisions and government policy in general will be exempted from the law. Although intervener funding has been promised, as I have said, it is not in the legislation, so could be easily withdrawn. In addition, the level of funding is not yet clear.

Crown corporations, CIDA, and Export Development Corporation are all exempted under this new act. Basic questions, such as which project will be reviewed, which will be exempt, and what rules will apply, are not answered by this bill. This apparently will be in the regulations which, as we all know, can be changed by cabinet.

The process that we have run into here throughout this bill is a process which has introduced this bill, first reading, on June 18, 1990 and it was referred to a special pre-study committee. The pre-study committee unfortunately was disbanded before any work was done and, of course, we have the continuation of the debate now ongoing.

I found the comments and editorial in *The Ottawa Citizen* last June interesting. The headline read: "Environmental Review—Trust us, we're Green Tories". Some of the comments within that are fairly relevant when we look at exactly where this bill is going and what is involved. I would like to read a little of this editorial from June 19, 1990, from *The Ottawa Citizen*. It talks about the flaws in the system and the good intentions perhaps of the government but say that it is unconvincing because those assessments will not become public. It then goes on to say:

> The first part of Monday's package is even more seriously flawed. The promised legislation is supposed to set up environmental reviews of government-funded projects *before* the bulldozers move in. It would give review panels power to call evidence and question witnesses. It would help finance environmental opponents of projects.
>
> But the core of the new law is hollow. What types of projects must be reviewed? What other federal laws automatically trigger environmental assessment? What projects are exempt? What rules apply to aid projects?

It also talks about the regulations. It states:

> Regulations mean flexibility, says the government. Exactly. The public has seen which way the Conservatives flex when environmental protection is at issue. This government hasn't earned that degree of trust.

The trust it speaks of is the trust that Canadians are looking for in governments. They are finished and tired, as we have seen throughout Canada with governments—Liberals and Conservatives—in the past who have given hollow promises and then not followed through with their promises. The promises in this case I think have been promises that we have seen constantly leading up into elections without any substance.

We have a chance for once of keeping some of those promises, the promises that we actually are about our environment, we actually care about what is happening.

The debate a couple of weeks ago on a Private Member's Motion was interesting. The motion of the hon. member for Okanagan—Shuswap refers to funding for various waste management programs and suggests that perhaps the federal government should put its money where its mouth is and assist in some of these areas of funding. A Liberal member got up and talked about municipal infrastructure, totally losing the point of the motion before the House. The point was that our environment is what is important, not the roads, not the sidewalks, but the structure to keep our water and water systems clean and healthy and our air clean.

• (1650)

We have that opportunity, but we must grab it now. Tomorrow is too late.

It is interesting that the National Round Table on the Environment and the Economy in a recent news release has given its advice to the Prime Minister on how to strengthen the new environmental assessment reform package by opening up government policy assessment to closer public scrutiny. The news release states:

> —Dr. Johnston said that, "for the environmental assessment of government policy to be effective, there is a need for public confidence in the process—" He added that there is also a need for "—reassurance that such assessment meets appropriate general standards, particularly since departments initiating policy proposals will be doing the assessments themselves."

The news release goes on to state:

> Because the assessment of government policies—from a sustainable development point of view—is a new, and as yet untried, approach the Government should conduct a full evaluation of the process, with public consultation, after a period of five years. Then consideration would be given to including policy assessment within the EARP legislation.

This is a start. I am hoping it is not a backward step. Now is the time to show all Canadians the trust they lost in government, and bring in something that is meaningful to all Canadians.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

Some hon. members: On division.

Amendment negatived.

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

Mr. Cooper: Mr. Speaker, I rise on a point of order. There have been discussions among the three parties on this issue and there is an agreement to defer the vote on second reading to Tuesday.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Accordingly, the vote stands deferred to Tuesday, October 30, 1990 at 3 o'clock.

It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS

[*English*]

FISHERIES

BRITISH COLUMBIA SALMON AND HERRING

Mr. David D. Stupich (Nanaimo—Cowichan) moved:

> That, in the opinion of this House, the government should take action against the unfavourable GATT ruling in relation to British Columbia salmon and herring.

He said: Mr. Speaker, the issue is not a new one, but neither is the resolution. It has been sitting on the *Order Paper* since April 4, 1989. Nevertheless, the problem still exists and, indeed, is worse than when this resolution was put on the *Order Paper*.

Before 1989, there was a system of regulations on the Pacific Coast which required that sockeye and pink salmon, the principal specie of salmon, and herring be landed and processed in Canada prior to export. There were reasons for this.

From the point of view of the employees in the processing industry, it provided employment in British Columbia, in Canada. Whereas, if those fish were not landed in Canada, but went directly to the United States, then processing our fish would provide employment in another country. So there were good reasons for it.

There was another reason that in the long run is even more important and that is that it gave us the opportunity to manage the resource. Without knowing how many fish are being caught and the times at which they were

being caught, and without being able to count or determine how many of each run of salmon are going up the river at any one time, we cannot properly manage the resource.

I am indebted to the former minister of fisheries for telling me on one occasion, in an aside across the floor, that there were 2,400 different runs of salmon. It is not a case of managing one species, one run, or whatever. It is a matter of trying to manage 2,400 different families over a period of time. To do that, we are maximizing the potential of the resource. By letting the fish go out of the province before they are landed and counted, before we know what is happening, and before we know what species there are, we were losing the opportunity to properly manage the resource. So, there were good reasons for having those landing regulations.

However, the Americans objected. They took it to GATT and GATT agreed with them, initially. Whether it would have in the long run, we do not know. The Canadian government neglected or decided not to appeal. It had the opportunity to appeal, as provided for in GATT, but Canada decided it would not appeal and that it would accept the ruling of GATT.

We had another opportunity, and this was an opportunity that was pressed by both the processing industry and by all of the people working in the processing industry: the fishing industry, the fishermen themselves, their organizations, people working in the plants, and the fishermen who were not organized in unions. All of them pressed the government to appeal the GATT ruling, or, if not, there was an alternative and that was to accept the penalty.

At that time the penalty was calculated to be an annual penalty of $5 million. But we are dealing with an industry that on the west coast of British Columbia is worth in excess of $1 billion. There was plenty of opportunity and good reason for all those people, everybody involved in the industry, to press for us accepting the penalty and preserving the industry, preserving the right to maintain employment in Canada and preserving the right to husband that resource and to manage the resource properly. However, we gave that up.

I can only suspect—and it is not just my idea, but certainly I agree with the conclusion—that we gave it up because the federal government wanted to show how good the free trade deal was for Canada. It knew there would be an opportunity to test this before a free trade panel. Indeed, there was. Under the free trade deal, the Americans again protested what we were doing before we had time to make changes. We did make changes in the regulations that they did not like, and it was all protested to the free trade adjudication process and a free trade panel was set up.

The free trade panel initially said that requiring landing of 100 per cent of these species of salmon and herring was restraintive trade. They made that decision and they said that if it was not 100 per cent, for example, if it was only 18 per cent, that might not be considered to be restraintive trade and might be acceptable. They did not say it would be.

People have said the free trade panel recommended 18 per cent. That was not the case, Mr. Speaker, not as I read it. What they said was: "If you come back and try us with 18, we just might accept it." Well, we did not do that. We appealed this time. We could have appealed to GATT and likely won, but we did not. We did appeal the free trade ruling, and, of course, we lost. Not only did we lose, we lost some ground that we might have made had we negotiated the first free trade panel agreement, because the second time we went to the free trade appeal, the appeal came against us. It said that 20 per cent of the volume two of these species of salmon and 20 per cent of the herring could leave without being landed in British Columbia. Eighty per cent had to be landed here. It could then be shipped out of the province without any processing. It is not all that practical to ship it out with processing, although it is done to some extent. The free trade panel said 20 per cent for the first year. It is to go up to 25 per cent over a period of four years.

The American trade negotiator made it very clear that the Americans wanted access to the total resource. The 25 per cent was an interim measure, as they were not going to accept 25 per cent in the long run. They were going to let us get away with 20, 21, 22 and 23 per cent until it became 25 per cent, knowing by that time, unless there was a change of government, Canadians would be so locked into the free trade deal there would be no way

out of it and we would have to accept whatever the Americans wanted to do to us, which this government is prone to do.

I notice the hon. member from the other side speaking from his chair. I hope he gets up and convinces me that I am wrong and convinces the processing industry in B.C. that they are wrong when they say that this is going to lead to an export of unprocessed fish. I think the member drawing attention to me knows that for decades B.C. has had a reputation for quality fish. Our sockeye salmon, in particular, has an international reputation. A very high price is commanded for it in international markets because it is a quality product. There are reasons for that. The regulations are very stringent. These regulations are not just on paper, but they are observed because they are policed, and the industry is aware of that. It makes it more expensive to produce according to the Canadian Regulations for Quality. Everyone agrees with that. That is one reason the market is prepared to pay the higher price for a Canadian product.

If our processors are going to be denied access to the product at prices they can afford to pay, they are not going to be able to sustain the quantity of production that will enable them to financially maintain the quality of production. The argument is that if they are going to whip the ground out from under us and say we do not get the supply of fish, then we want them to relax the quality regulations so that we are down to the level of the Americans.

It is the whole idea of a level playing field in the free trade deal. Instead of bringing them up to our level in social services with people, we are supposed to go down to theirs, and this government is leading us down that road. When it comes to processing fish, instead of maintaining our reputation internationally for high quality fish, we are prepared to sacrifice our quality and compete with the Americans on their ground.

If anyone on the other side can convince me, the Fisheries Council of British Columbia, the unions involved in the fishing industry in B.C., the independent fishermen in B.C., and the shore workers, and everyone agrees on this, if one member on the other side denies it, then that member has a long way to go in persuading all of those people that they are wrong and that he is right. I hope he is right. I fear that he will not be. Only time will tell, I suppose, although time is telling already.

The question has come up whether I do or do not believe in GATT. I said there was a GATT ruling and it went against us. We had the opportunity to appeal .That was provided for. It was this Tory government on the other side that sold us out. It did not do the appeal because it did not want to go that route. The government had no faith in GATT.

Second, there was an opportunity, even if GATT ruled against us, to pay the penalty. It would have cost us $5 million to protect a billion dollar industry and it could have been done under GATT. I believe in GATT. It is this government across the way that does not have the faith in GATT that some of the rest of us on this side of the House do. The opportunities were there. We gave it up because this government wanted to go the free trade route and sold us out.

There was no Canadian appeal and no penalty, and the free trade deal ruled against us. I think we have lost every argument before the free trade panel since it started. The first one lost was before a fisheries free trade panel, the one dealing with the west coast. I do not know of any that we have won. The hon. member is shaking his head.

The Fisheries Council of British Columbia, as I said, is concerned about quality. In a report put out by Mike Hunter of the Fisheries Council of B.C., it states that our fish inspection regime was designed in an era when we had protectionist regulations. He is talking about the landing regulations. We simply cannot afford to have the government dictate to us what quality specifications must be.

The former Minister of Fisheries and Oceans, the former Minister for International Trade, and the current Minister for International Trade all reassured the workers on the west coast that jobs would not be lost. This is a direct quotation from the minister of fisheries: "will not allow jobs historically established to be threatened by any such initiative". So, they talk big, talk great, talk most reassuringly, but then give up the fight totally.

Again, the Fisheries Council of Canada has indicated that the long-term future of the processing industry in B.C. is now threatened. Given the fact that between 60 per cent and 70 per cent of the costs to the processing sector are tied to the purchasing of product, there is very little room left for cost cutting. The only opportunity at all is to cut labour costs. You cannot do that through

improved technology because the government has been doing that steadily. It is a most modern industry compared to any other country that does this kind of work. The industry has already tried that.

There was a strike last year, a work stoppage, or whatever, a management-worker dispute on the issue. Industry was trying to cut costs by tearing it off the hides of the workers, trying to get the workers to agree to lower standards and to poorer conditions in order to get an agreement that would make them better able to compete so that they would not lose the processing industry to the United States. We lost that.

There is no question that direct exports of unprocessed fish leads to job losses. The current Minister for International Trade has admitted that. Although he will not apply it to the west coast, he certainly has admitted it with respect to the east coast. A quotation from the Minister for International Trade is as follows: "I believe the amount last year was some 80 million pounds". He is talking about exports to the United States from the east coast of unprocessed fish. He went on to say: "If sold in Nova Scotia it would be a considerable help to fish plant workers in Nova Scotia".

According to the government member for South Shore, the province of Nova Scotia loses 1,000 jobs annually as a result of the province having regulations permitting the export of unprocessed fish. Of course, that is what the west coast fishery has been trying to get into as well.

When supply is threatened, jobs are threatened. I made that point and the fisheries council made it. The Pacific Advisory Group in the *Vision 2000* document stated: "The impact of the removal of export restrictions on salmon and herring is as yet uncertain. It could result in a significant increase in the export of unprocessed fish to the U.S. with loss of jobs in the Canadian processing sector".

As important as the loss of jobs is, my greater concern is for the loss of our ability to manage the resource, to husband this resource. Canadians have paid the price to protect this resource, manage and conserve it. We have paid for it ever since we have been in the business. For 100 years we have been paying the costs of managing this resource.

Giving the Americans direct resort to this resource is certainly a direct benefit to the U.S. processing industry. We paid for it. We have husbanded it. We have done without on occasion. We have hired people to work in the industry. We have hired people to police it. We have done all these things at great cost to Canadians and now what we are doing, as a result of this government's inaction when GATT threatened us, and its actions under the free trade deal, is say to the Americans that we have looked after it all these decades, now they can have it, that we are ready to abandon the field because we want to be nice neighbours. When do we quit giving in to the Americans? When do we quit giving to them? When do we start demanding some access to our own fish?

Mr. Milliken: When we get a new Liberal government.

Mr. Stupich: When we get a new government. Yes, I agree with the speaker. If the New Democrats form the next government, certainly it will start to look after Canadian interests and live up to GATT.

Some hon. members: Hear, hear.

• (1710)

It is important to protect this resource. It is not something we have created. It is something we have tried to maintain. It is very important to B.C.; it is very important to Canada. As I said, it is a billion-dollar industry. We cannot abandon the right, the opportunity, and the responsibility to husband this resource. Turning it over to the Americans and letting them handle it, harvest it without doing any management, without looking after it, without husbanding the resource, is abandoning that industry, abandoning that resource.

Mr. Speaker, you have heard plenty in this House about what has happened to the east coast fish stocks. I am talking now about the northern cod. That is a disaster created by humans through neglect, not through anything deliberate, through neglect.

We could be going down that same road on the Pacific coast if we allow the Americans to simply exploit the resource without accepting any responsibility for husbanding it, for managing it.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the motion before the House deals with the salmon and herring fisheries in British Columbia. I am sure that all hon. members recognize the importance of these fisheries to British Columbians and to Canadians as a whole. Certainly, this government does.

But this motion will do nothing to enhance the economic well-being of the people of British Columbia. Rather, if it were passed, it would do a great disservice to them. That is why this government cannot accept such a motion and why it should not be passed by this House.

The motion calls upon the government to take action against the GATT ruling in relation to British Columbia salmon and herring. This is a classic example of the kind of backward thinking that typifies the opposition to this government's policies.

Action against the GATT ruling would turn the clock backward. It would tell Canadians that we can rest content behind the protectionist barriers of old policies. It would tell Canadians to cast off the benefits that they have gained through the open multilateral trading system. It would invite Canadians to turn their backs on developments in the rest of the world.

This government cannot ask Canadians to do this. We will not make the mistake of looking inward and backward with respect to our competitive interests as the hon. member would have us do and, of course, the NDP would have us do. We will continue to look outward and forward, to seize the opportunities to enhance our economic well-being. Failure to grasp the emerging opportunities for Canada in the global economy would doom our country to second class status. This is not the approach of this government.

It is a fact of life of the 1990s that we must build strong, competitive industries which can thrive at home and abroad. The salmon and herring industries of British Columbia enjoy a world-wide reputation. They have built this reputation through the sale of top quality products. The industry has benefited from access to foreign markets. But it must also be prepared to face the challenge of foreign competition if it is to continue to prosper. The purpose of this motion before us today is to isolate these industries from the international economy. The effect would be the ultimate decline in our competitive position.

Mr. Speaker, the government has acted in response to the GATT ruling on salmon and herring. Our consistent objective in addressing this issue was to maintain the integrity of our conservation and management regimes for these fisheries. Our purpose has been to ensure the enhancement of these natural resources for the continued benefit of Canadians, now and in the future. It was for that reason we introduced a landing requirement for all species of salmon in April 1989 when we removed the regulations found wanting by the GATT and the GATT ruling.

Because Canada and the United States could still not come to an agreed resolution on the free trade agreement consistency of the landing requirement, our two countries decided in mid-1989 to place the issue, which still involved the precise nature of our GATT obligations, before a panel within the context of the free trade agreement which provided a bi-national and expedited panel process to resolve the issue.

As hon. members will be aware, that panel found that our proposal to implement a landing requirement for 100 per cent of the Pacific salmon and herring catch was not consistent with the free trade agreement, which incorporates GATT rules. However, the panel recommended that if Canada were to exempt 10 per cent to 20 per cent of the various species of the catch in each fishery from the requirement that it had to be landed, this would bring the measure into free trade consistency and would address Canada's conservation and management concerns.

In its examination of the issues, the panel was quite sensitive to Canadian needs with regard to the resource conservation and management.

In response to this panel ruling we arrived at an agreement with the U.S. that 100 per cent of the catch would be subject to conservation and management control. The settlement with the United States thus provides that Canada has the right to require that all salmon and herring be brought to a registered landing station either at sea or on shore. In that context, up to 20 per cent of the allowable catch was made available for export by sea in 1990. In 1991-1993, up to 25 per cent of the catch will be accessible through at-sea landing stations, only after verification of the conservation and management information. The agreement will be reviewed in the fourth year, with the assistance of technical and industry advisers, in light of experience and prevailing conditions.

The agreement also contains provisions with respect to roe herring. While Canada continues to control the export of roe herring to all destinations, exports are permitted to the United States if processed to the same extent as herring is processed in Canada, or if actual consumption is certified to take place there. This helps to ensure that Canadians will continue to be able to benefit from the comparative advantage they enjoy through the expertise they have developed in herring roe extraction.

It should also be noted that under the agreement for roe herring and salmon caught in Canada's Pacific waters to transported directly from the fishing grounds to the United States, the following conditions, among others, have to be met: first, only licensed Canadian tender vessels, equipped as sea-based landing stations, are eligible to transport roe herring and salmon directly from the fishing grounds to the United States.

Second, in order to qualify as a sea-based landing station, a tender vessel is required to maintain on board adequate facilities for Department of Fisheries and Oceans inspectors to supervise counting, sorting, and weighing and to permit on-board biological sampling. All fish brought on board the buying station must be made available for these purposes.

Third, a sufficient number of Canadian inspectors have to be on board each buying station at all times that the station is in operation.

Through this agreement the government has maintained an effective resource management and conservation system for Pacific salmon and herring. The same high standards in inspection and sampling activities are used now in both onshore and offshore locales. Hon. members should note that our fisheries managers are fully satisfied with the quality of our conservation and management information. Further, rather than the mass export of Canadian unprocessed fish that some had predicted—we heard the cries; we heard them over and over again in this House—less than 1 per cent of the catch has been exported to the United States through at-sea landing stations.

I will repeat that for my hon. friends across the way: rather than the mass export of Canadian unprocessed fish that some had predicted, less than 1 per cent of the catch has been exported to the United States through at-sea landing stations.

The free trade agreement panel process, which was not of a binding nature, enabled both sides to come to a judgment as to how the principles of the findings could be maintained, while allowing for a practical implementation which would satisfy the legitimate concerns of each side. As such, it provided Canada and the United States with a basis for coming to a resolution of this bilateral dispute.

Some of our critics on the salmon and herring issue sometimes sound as if they just cannot stand any kind of trade liberalization and do not want any trade agreements with anybody, but we cannot be content to stick our heads in the sand and wish our challenges away. The government has developed a resolution to this dispute which will continue to benefit the Canadian economy. All those concerned in these fisheries must be ready to sharpen their pencils. They must be prepared to make the kinds of adjustments that our competitors are making world-wide. If they are not, they will not stay on top; if they are, we will stay on top in this area. This government has confidence in the ability of the British Columbia salmon and herring fisheries to meet this challenge.

• (1720)

The motion before us is a vote of non-confidence. It is a vote of non-confidence in the ability of our fisheries to compete. That is why this motion is fundamentally flawed and why it cannot be supported by members on our side of the House.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to commend my NDP colleague for introducing this motion and for bringing this subject back to the floor of the House. As he has outlined in his remarks, it is really an issue not only of trade but an issue of resource conservation and the ability of Canada to control one of its most vital resources, namely fish, be it on the Pacific coast or be it on the Atlantic coast.

I listened with interest to the explanation of my friend from the NDP of his motion. I also listened with interest to the comments from the other side. It is very interesting to hear the government engage in this form of self-justification after the fact.

As was outlined earlier, the lobster and herring GATT ruling on the west coast emerged as a result of a complaint by the United States through the GATT process. Canada, in response to that initial GATT ruling, instituted landing requirements. This government

instituted landing requirements in order to meet the GATT ruling and still maintain some conservation of its resource stock.

However, that was not good enough for the United States, so it brought the issue again before the Canada–U.S. free trade panel. Of course we are all familiar with the result of that panel. Essentially Canada was forced to abandon its landing requirements and to allow the United States virtually free access to our west coast salmon and herring without having to land them in Canadian ports. Certainly the 20 per cent requirement, although it is not 100 per cent, is a significant portion of our fish production.

Now government members, after having lost this dispute with the United States, are quite happy to engage in justifying the decision after the fact and using the arguments that they really have pride in our fishing industry and in our ability to compete on the west coast. It is really an unwillingness to accept what happened, that they lost through that free trade panel.

This year the shoe was on the other foot. This time it was the Atlantic lobster. This time it was the United States through an amendment to the Magnussen Act, which regulates, among other things, the size of U.S. lobster U.S. fishermen are allowed to catch, increased the minimum size of Atlantic lobsters that could be allowed in the United States. At the same time it blocked Canadian exports of lobsters that were below that minimum size.

The trade minister and the Prime Minister protested loudly in the House of Commons that this was a trade restriction and not a conservation measure as the American fishing industry tried to proclaim. They instituted a free trade panel. We had the free trade panel with three U.S. panellists versus two Canadian panellists. Of course the decision favoured the Americans, even though we were arguing that the American restrictions under the Mitchell bill were GATT inconsistent and were a violation of GATT rules. We brought the issue to the free trade panel where we were outnumbered by the Americans and where we lost the dispute.

What did Canada do? Rather than admit that once again we had been snookered, once again the government had failed to defend the Atlantic as well as the Pacific fisheries industry, they tried to put the best possible face on this defeat. They tried to gloss over the fact that really the Canadian government had capitulated once again and, in this case, had allowed the American lawmakers to argue that they were protecting their resource and that their rules were not trade distorting restrictions. However, on the west coast they were quite prepared to concede that our landing requirements, which were instituted for conservation reasons, were trade distorting reasons.

What is sauce for the goose is sauce for the gander. This government cannot have it both ways. We are either acting to conserve our resource, to protect our fishing industries, or we are not. We cannot allow the U.S. legislators through the free trade agreement to bully us, whether it be by arguing conservation when it suits them or arguing trade restrictions when it suits them. We have to start defending our fishing industry, which this government has consistently refused to do, whether it be through the free trade agreement or by appealing GATT rulings as my colleague has mentioned.

I think it is an eminently sensible motion. It is a timely one at this time, given that the Uruguay Round is reaching its final stages.

One of the issues that has not been prominent in this discussion of the world trading system, since we are discussing the world trading system, is what I believe will be an emerging concern in international trade, that is the whole conflict between free trade and environmental protection, between free trade and the management of non-renewable resources such as our fish. This is an area in which the rules and the international code of ethics are still very vague.

If the recent behaviour of this government is any indication, it is prepared to allow the preponderant force of our neighbours to the south to determine in what instances they will defend their resource conservation measures and in what instances they will simply tell us: "No, you cannot defend yours. That is against free trade and we will block you on that".

The initial reaction of the government to both of these disputes is not a very good indicator of how the government is going to defend our interests in resource conservation, which is going to be one of the key issues in environmental protection in the future.

The motion we have before us today is a way for us to remind the government of that point, particularly in this instance when we are discussing Bill C-78, the government's environmental assessment legislation, which has been before us this week and which the government is anxious to have passed. It has many gaping holes in it, particularly as it has to do with international jurisdictions. This is an opportunity for us to remind the government that there is one very important trade and environmental issue that is just not being addressed.

I would like to thank the member once again for bringing forward this very sensible motion.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, today we are presented with the following motion:

> That, in the opinion of this House, the government should take action against the unfavourable GATT ruling in relation to British Columbia salmon and herring.

I would first like to suggest that this motion is even less relevant and even less appropriate today than it was on April 4, 1989 when it was first tabled. That is over a year and a half ago.

The government has already taken action to resolve our dispute with the United States on salmon and herring in a way which has fully protected our conservation and management interests for both salmon and herring.

Perhaps the hon. member was not able to see the recent CBC story on the tremendous run that has been occurring in British Columbia recently. They have had to hire extra workers there. As the hon. member for Athabasca has pointed out, less than 1 per cent of the salmon has been going to the U.S. to be processed.

• (1730)

I wish to recall the origins of the dispute with the U.S. government on salmon and herring. This issue arose from a petition filed with the United States trade representative in April 1986 by processors in the U.S. They complained that Canadian processors were buying significant quantities of unprocessed Alaskan salmon and herring, while U.S. processors were denied any access to such fish caught by Canadians in waters off our west coast.

It is absolutely essential to keep this fundamental fact in mind throughout any discussion of this issue, that is, that Canadians were free to buy unprocessed American fish for processing in Canadian plants while Americans, under old regulations, against which the GATT subsequently ruled, were unable to buy any unprocessed Canadian salmon and herring caught off our Pacific coast.

In the past as much as 15 per cent of the salmon and 8 per cent of the herring processed in British Columbia was imported from Alaska.

In any case, the U.S. took this complaint against our former export prohibitions on unprocessed Pacific salmon and herring to the GATT. In November, 1987 a GATT panel presented its report, which found that our regulations were inconsistent with our obligations under GATT. Other GATT members supported the panel conclusions as valid and did not support the argument that Canada put forward in defence of our regulations. Faced with this reality, Canada agreed to the adoption of the panel report by the GATT in March, 1988.

This is the only ruling of the GATT against Canadian practices involving fish products. In her statement in the House of Commons on March 21, 1988 the Hon. Pat Carney, in her capacity as Minister for International Trade, announced our intention to remove the GATT inconsistent export prohibitions and bring forward new regulations to put in place a landing requirement for all Pacific salmon and herring.

Miss Carney explained that maintaining the *status quo* was not a viable option, since it would expose Canadian workers to the threat of U.S. retaliation, and that is no small threat.

In debating this motion, I think it would be useful to question what it would really mean to "take action against" a GATT ruling. In order to do this, we have to reflect on what the General Agreement on Tariffs and Trade is, how it works and what Canada's place is in the GATT.

The GATT was established in 1948. It is the only multilateral agreement that lays down agreed rules for international trade. Over 85 per cent of world trade is covered by the GATT. It also functions as the principal international body concerned with negotiating the reduction of trade barriers and other measures which distort competition and concerns itself with international trade regulations.

GATT is thus both a framework of rules and a forum in which countries can discuss and resolve their trade problems and negotiate in large world trade opportunities.

The tenfold growth in the volume of world trade over the last four decades has provided continuing evidence of the GATT success in this double role. There are now 99 members of GATT and No. 100 is on the horizon. The GATT is the cornerstone of Canadian trade policy. Canada was one of the 23 founding members of the GATT agreement, and our membership in it has served Canadians well over the many years. Canada relies on international trade for its economic well-being. We are a trading country. Trade represents some 30 per cent of our GNP and roughly three million Canadians depend on trade for their livelihood. In addition, exports generate about $5,000 a year for every man, woman and child in Canada.

This motion implies that any time that a GATT ruling finds any of our policies inconsistent with the general agreement, Canada should simply ignore the ruling, or as the motion rather mysteriously puts it, to take action against the ruling. But what would we be taking action against? The GATT? The GATT is not only an international agreement, but a forum composed of its members, who are our most important trading partners. So the motion really says that any time that Canadian policies are found to be GATT-inconsistent, we should make a unilateral decision to take action against our trading partners.

The problem with this is that, although Canada is a significant trader of some products on a global basis, we are, in over-all terms, a middle-sized economy and trader. This leads inescapably to the fact that we must depend on strong and predictable international trade rules to provide a secure basis for our export sales. Our free trade agreement with the United States is built upon the GATT. A strong GATT is the best security for Canadian trade and the related jobs. We cannot expect to use the GATT rules to provide a solid base for Canadian economic growth if we ourselves are not prepared to live by these rules.

No country can expect to win every challenge to its practices under the GATT and Canada is no exception. The number of dispute settlement cases in the GATT is tending to increase and this should be no surprise to anyone. In various countries around the world, new and sometimes complex rules and regulations are put into place which have trade-restrictive effects which are questionable in terms of GATT consistency, and thus come under challenge. In other cases, old or traditional policies, such as Canada's former ban on exporting unprocessed Pacific salmon and herring, are challenged. The GATT dispute settlement system has worked as much in Canada's favour as it has against Canada. We cannot pick and choose, simply as it suits our convenience.

In essence, GATT is intended to provide a secure and predictable international trading environment in which industrial and commercial entities—public and private—have the confidence to invest, to create jobs and to trade. We have done very well by GATT and we will continue to do well. The resort by governments to protectionism, on the other hand, has been shown to reduce business confidence, raise prices, slow investment and to damage economic growth and development prospects over-all.

To ignore GATT rulings would constitute a threat to Canadian jobs, as this would leave Canadian trade exposed to retaliation from Canada's trading partners. If we ignore the rules, we create a situation in which others can also ignore them. A less disciplined trading climate would undermine the progress which we had made since 1948 through the GATT.

I have said that this motion is even less appropriate today than it was when it was first written over a year and a half ago. We have already responded to the GATT panel report in a manner which respects the GATT system but also ensures that the conservation and management of our valuable salmon and herring stocks is preserved. This involved implementation of a landing requirement, which was referred to a panel within the framework of the free trade agreement.

There were adjustments which were made. This year there have been a net increase in the number of workers employed in the fishery on the Pacific coast. That has been very good. People are very much aware that what the opposition is proposing is non-workable and does not make any sense.

I would like to conclude my remarks by suggesting that this motion is inappropriate and it should not be adopted in the House of Commons.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am very glad to rise this afternoon in this House and speak to the motion that we have before us that says:

> That, in the opinion of this House, the government should take action against the unfavourable GATT ruling in relation to British Columbia salmon and herring.

• (1740)

Mr. Speaker, I wish to speak against this motion that we have before us—

Mr. Whittaker: Support us on this one. Support the fisheries in B.C.

Mr. Belsher: Well, I'm all for the fisheries in B.C. That's just it. I am perfectly satisfied that the action we are taking is more in the way of protecting the fisheries and runs less risk than to take advice from the other side of the House and go against the GATT ruling that we have before us.

Just because the GATT ruling is unfavourable in relation to British Columbia salmon and herring, I am confident that the facts relating to the British Columbia salmon and herring fisheries makes it very clear that this government has brought this issue to a satisfactory resolution.

As the last speaker said, I guess a year ago this motion would have been very much in order because there had not been a satisfactory resolution to the GATT ruling, but a ruling has been made. The predictions which we have heard from time to time about the demise of the industry simply do not add up to scrutiny, Mr. Speaker.

Time and time again in this House we have heard the doom and gloom that has been portrayed from the members opposite. Time and time again, Mr. Speaker, they have been false. It is a sad commentary on how this House works when the members opposite do things that really set out to scare people and to lead them into thinking that black is not black and white is not white, things like that.

Members of this House will be aware of the importance of these fisheries for the Canadian economy. British Columbia salmon and roe herring are valued at close to $1 billion in annual wholesale value. Over 4,400 salmon fishing vessels and 1,500 herring fishing vessels involving 15,000 fishermen participate in these fisheries along the 6,000 miles of B.C. coastline. On average, 80,000 tonnes of salmon and 30,000 tonnes of roe herring are landed each year. The processing sector employs approximately 6,000 persons. Approximately 200 vessels are currently licensed as fish packers.

In coming to a resolution of the dispute brought by the United States before the GATT, to which this motion refers, the government has consistently sought to ensure that the conservation and management regime applied to these vital natural resources is maintained. This would enable the economic benefits which they bring to the communities along the coastline of British Columbia to be sustained and enhanced.

When the United States objected to the landing requirement introduced in April 1989 for all salmon and herring, it was agreed to take this matter to a panel established under the free trade agreement as a means of finding a satisfactory resolution of this matter.

The decision of that panel confirmed Canada's right to verify catch reporting and to conduct biological sampling to provide for the conservation and management of the salmon and roe herring fishery resource. However, it was the panel's view that a percentage of the resource could be exported directly from the fishing grounds without impairing the integrity of the fishery management regime. On the basis of this decision, agreement was reached on February 22 of this year with the United States.

The member opposite has alluded to that and it was 20 per cent for year one and it could roll by a further 1 per cent each year until it reached 25 per cent, if my memory serves me correctly.

Mr. Stupich: Then you decide what's going to happen anyway.

Mr. Belsher: The member opposite wants to cross bridges before we get to them. I think we should deal with the issue as we now have it before us.

This agreement permitted specified percentages of the total allowable catch of British Columbia salmon and roe herring to be made available to the U.S. buyers for direct sea exports in each of three British Columbia export zones, the south, the central, and the north.

In implementing this negotiated resolution, the Department of Fisheries and Oceans established an export management unit. This unit verifies catch reporting and

conducts biological sampling to provide for the conservation and management of the fishery resource.

At the time the agreement was reached with the United States, there were those from the opposition who claimed that any agreement would spell the doom of this important industry for Canada. Indeed, the motion before us is a clear reflection of that pessimistic approach and a lack of confidence in the ability of the fisheries of British Columbia to compete. The statistical data for this year however shows the opposite to be the case.

In the 1990 roe herring season, there was a total of 987.6 tonnes of unprocessed roe herring shipped by land to the United States. No export-at-sea licences were issued. Of the total amount shipped to the United States, 606.7 tonnes was processed in that country and the remainder was shipped back to Canada for processing. By comparison, there was a total of 1,500 tonnes of unprocessed roe herring imported into Canada from the United States.

In the 1990 salmon season, which is ongoing, 22 applications have been received for export-at-sea licences. Eleven licences have been issued and four vessels are actively engaged in direct export-at-sea to the United States. To date, a total of 497 tonnes of salmon have been exported to the United States directly by sea, all from the south export zone. Exports of salmon by land to the United States to mid-September were approximately 2,800 tonnes.

In contrast, during this period, approximately 6,000 tonnes of United States salmon were imported from Alaska to Prince Rupert and 900 tonnes were imported into the lower British Columbia mainland from the Puget Sound area. The over-all import level to Canada from the United States exceeds by more than double the export level to the United States.

In considering these exports of fish to the United States, I believe it is important for hon. members to take note that the programs operated by the Department of Fisheries and Oceans for a biological sampling and catch verification at shore based landing stations have been extended to cover at-sea exports. This ensures effective conservation and management of the salmon and herring fisheries. As well, communications and management information systems have been developed in order to provide the capability to control exports near ceiling levels and to provide timely information for enforcement purposes. The experience gained this year is invaluable to the planning process for both the upcoming herring and subsequent salmon seasons.

We are talking about GATT and it was a GATT ruling that this was all about. We lost the fight at the GATT that the Americans brought against us and so we resorted to the dispute settlement mechanism that was negotiated in our free trade agreement. That dispute settlement has found that it is legal and consistent for Canada to expect to count and to land on shore the majority of our fish. That will be an ongoing process and that is what we have here before us now.

This government has worked hard to bring this matter to a resolution with the United States which meets the interest of all Canadians, particularly those engaged in the fisheries in British Columbia. The facts I have presented show that these fisheries are functioning well and there is no basis to assume that the people of British Columbia will not continue to benefit from these resources.

This is a renewable resource. This is a resource that has to be managed. It has to be managed carefully and judiciously. With the co-operation of all the people in the industry, we can expect to have an ongoing fishery for the years ahead.

This year was no exception in that the run on the Fraser River, the Adams River run, was one of the highest runs experienced in the last 50-odd years. It was a beauty to behold. We expect these cycles to continue because nature, in its wisdom, has devised ways that the fish head out to sea to grow, come back home to the spawning grounds to replenish the cycle, and then die off.

• (1750)

I am glad to be able to stand before the House today and state uncategorically that I am satisfied that we have managed this GATT ruling in an acceptable manner, and that the fishery is well on its way to a continued and enjoyable resource.

I know the riding of the member opposite is much closer to the fisheries than mine. Mine is up in the Fraser Valley. Nonetheless, there are a lot of fish that go by our doorstep up the Fraser River to the spawning grounds.

They then come down so that his fishermen can then fish for them upon their return.

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, I am pleased to have the opportunity to speak to the motion put forward by the hon. member.

British Columbia salmon and roe herring are valued at close to $1 billion in annual wholesale value. Over 4,400 salmon fishing vessels and 1,500 herring fishing vessels involving some 15,000 fishermen participate in fisheries along the 6,000 miles of B.C. coastline. On average, 80,000 tonnes of salmon and 30,000 tonnes of roe herring are landed each year. The processing sector employs approximately 6,000 persons. Approximately 200 vessels are currently licensed as fish packers.

As you are aware, Mr. Speaker, following the GATT ruling and prior to the Canada–U.S. Trade Commission decision regarding herring and salmon, all catches of these species were required to be landed in Canada. Biological sampling, catch verification, surveillance, and enforcement activities were developed to manage fisheries in an environment where all fish were landed in Canada.

The Canada–U.S. Trade Commission decision regarding at–sea export of salmon and herring authorized exports of up to 20 per cent of the available catch in 1990, and 25 per cent in the years 1991 to 1994. The packer fleet is capable of assembling up to 150 vessels which could theoretically meet criteria to qualify for direct export licences. The implementation of the at–sea export provisions in the herring and salmon fisheries introduced a number of new components to the management regime for these fisheries and established the requirement for the implementation of a more complex management and conservation regime.

The New FTA Export Management Program was designed to address the following requirements: administration of export licence applications; inspection of vessels to confirm compliance with licensing specifications; issuance of at–sea export or *y* licences; publication of expected volumes of salmon and roe herring to be available from each export zone; over–all planning and execution of export catch sampling, catch verification, export monitoring, industry liaison and enforcement activities; development of export sampling plans, detailed in–season monitoring and reporting of catch statistics and export levels in line with the authorized export ceilings; and integration with onshore sampling and catch verification programs.

The position of the DFO FTA Export Manager was established and the incumbent was made responsible for the over–all planning and execution of export catch sampling—

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the *Order Paper*.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURE

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on October 11, I asked a question of the Minister of Agriculture. I asked if he would reinstate the interest–free cash advance. It was the fourth time that week that I had risen in the House to ask for the reinstatement.

I was encouraged that the minister said he was giving the matter urgent consideration. I was even more encouraged when, two days later, he announced the reinstatement of this important program. The minister, however, made his announcement, not in the Chamber, but at a Saturday morning meeting of writers in Saskatoon.

Instead of providing Parliament with the information that I had asked for, just two days previous, he chose to go outside the Chamber for the announcement and left Parliamentarians, such as myself, to respond to the media and to report to our constituents without the benefit of the information that he had made available that morning.

Mr. Speaker, you will recall that last year I and my colleagues in the New Democratic Party in the House argued strenuously against government legislation which originally removed the interest–free portion of the cash advance. We argued that there were times when this

program was very necessary and this year the government was forced to recognize that we were correct.

The government's mistake on this matter has not been adequately corrected, however. The minister's announcement makes reference to the reinstatement of the interest-free cash advance for this year only. If this year's conditions on the Prairies are duplicated next year or the year after, we will have to argue again and again, year by year, for the interest-free program which has served the agricultural community well since the 1950s.

Last year's legislation should be immediately rescinded and the interest-free cash advance program permanently reinstated. This past week, I visited a number of elevator agents, bank managers, credit union managers, and farmers and I have found that the most contentious question remaining this year is that the program requires cheques to be issued jointly to the farmer and the financial institution. I would like the government to consider issuing the cheque to the farmer and leave to his discretion which bills get paid and when, under the cash advance. The big banks and the government are working too closely together on the issuance of these funds.

Our agricultural sector is much too important to be left to the whim of the politicians. There must be some stability brought to agricultural financing. As long as prices remain low and interest rates and fuel prices can rise unchecked, Canadian food producers must have some protection, some security.

I ask the Minister of Agriculture to recognize that even though the interest-free cash advance is only a small program in the whole system, it is important enough to be a permanent part of our support mechanism. I ask that he take the next step and reinstate the program, permanently.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as it has been indicated, on October 13, the Minister of Agriculture did announce measures to assist cash-strapped farmers. Those are in the interest-free cash advances which are now available on undelivered grain.

We know that farmers can now receive, if they qualify for interest-free advances, up to $50,000 through this one-year program. I want to make sure that everyone understands that it is a one-year program. That decision was arrived at in consultation with working groups as to the need and the way to best provide that program. This program will be administered through the Prairie Grain Advance Payments Act and the Advance Payments for Crops Act. All crops covered by these two programs are eligible for the interest-free advances.

• (1800)

It is estimated it will cost the treasury about $95 million in interest relief in 1990 alone. This is a short-term measure to answer an immediate need. We know that $95 million is a lot of money, especially now when we are strapped for funds in this country.

It does not address the long-term needs. That is why it has to be a one-year program, because as everyone in this House knows, and anyone who has any connection to agriculture knows, we are working on a longer-term program such as the safety nets that we started over a year ago with the committee. The committees are made up of producers and organizations from across the country and are to come up with a long-term program so that we will not need interest-free advances such as we do right now. The government has responded to the needs at the present time.

We hope that we can have some of these programs in place, such as GRIP and NISA, for the 1991-92 crop year. If governments agree, federal and provincial, this new safety net could provide benefits to Canadian grains and oilseeds farmers next year. This would give them the stability necessary to plan their financial future much better.

These are the two programs we are working on, the net income stabilization account, or NISA, and the Gross Revenue Insurance Plan, or GRIP. NISA would enable farmers to set money aside in good years in an individual trust account, their own personal account.

GRIP is a combination of yield protection and price support. The two programs will benefit agriculture greatly. We have seen the needs over the last few years and have continued to stand by our farmers. I want to make that very, very clear. The Special Canadian Grains Program, the Canadian Crop Drought Assistance Program, and this spring a commitment of about $450 million to Canadian grain farmers are an example of the

commitment we have put forward. On October 13, there was another extension of that support.

HUMAN RIGHTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, some months ago, I asked the minister to continue funding the Court Challenges Program. Since then I am happy to report that this program has been extended for five years, although a 10-year extension was requested.

The Court Challenges Program provides financial and legal support for litigation to test selected cases and establish precedents for protection of rights under the Charter of Rights and Freedoms. This is an essential program for helping disadvantaged groups, including women, natives, visible minority and disabled persons, to achieve a greater degree of equality.

Several cases involving equality rights for women have set important precedents and more are pending. It was essential to extend the funding program since there have been few cases concerned with discrimination against visible minority persons processed.

Barriers to equality continue to exist and racial discrimination remains a most critical and regrettable problem in our country. Many people of colour, including recent immigrants and people who have been here for several generations, do not feel they are accepted as equal citizens in Canadian society. Over the last year racial intolerance and racist incidents have escalated dramatically. Results of February polls showed 54 per cent of Canadians felt there was an increase in racial intolerance.

A study by B'nai Brith found a dramatic 88 per cent increase in incidents of harassment. There were also many media reports of racial discrimination. Blacks and other visible minorities continue to be victims of discrimination and violence in schools and universities. Many job applicants were rejected and humiliated, and promotions were rare.

The percentage of native people in prisons far exceeds their proportion in the general population. Blacks complained about being easy targets for bullets of police officers. Racist pins and bumper stickers were circulated freely. Jewish graves were singled out for desecration.

In addressing a seminar on the rights of the child, John Turvey, a street worker in my riding, said: "Seventy per cent of the kids I see on the streets in the downtown eastside of Vancouver are aboriginal. They make up 5 per cent of the general population. We are a racist culture."

The federal government cannot maintain its innocence regarding racial discrimination. For 10 years an apology and redress for the historic racism of the Chinese head tax and the Chinese Exclusion Act has been outstanding.

Mr. Idris Ben-Tahir and Ms. Mary Pitawanakuat experienced racial harassment in the Public Service. The government's long delay in allowing Sikhs in the RCMP to wear turbans exacerbated overt racism. The government refused to reverse the recent CRTC decision which refused the only black format radio station in Canada, despite its obligations under the Canadian Multiculturalism Act.

• (1805)

The inaction of both Quebec and federal governments to prevent and deal with overt racism during the Oka stand-off is a national disgrace. Images of burning natives in effigy, the Ku Klux Klan, racist slogans and rock-throwing are scars on our souls. The Prime Minister's promise of an investigation has been forgotten.

Systemic discrimination continues in the Public Service where only 2.9 per cent of federal employees were visible minorities, compared to 6.3 per cent in the general workforce, this despite a commitment to employment equity. Recently, the Secretary of State refused promised funding for a National Employment Equity Network conference, creating considerable hardship for participants who represented target groups.

I call on the government to make a concerted effort to eliminate racism and discrimination by strengthening and enforcing employment equity and the Canadian Multiculturalism Act by increasing funds so that the Human Rights Commission can do its job; and by increasing, rather than withdrawing funds from advocacy groups that are working for equality. Canada is a multi-racial, multicultural country where all citizens must be equal in reality, not just in rhetoric.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the member knows, the contribution agreement between the Department of the Secretary of State and the Canadian Council on Social Development for the administration of the Court Challenges Program was scheduled to expire on March 31 of this year.

Through this program, financial assistance is provided for the preparation and defence of test cases involving equality and language rights under the Canadian Constitution. Cases funded under the program have dealt with such issues as discrimination based on mental and physical disabilities, mandatory retirement, equality for native people, discrimination based on marital status and citizenship, and equality for disabled persons. The program, which was introduced in 1985, had a five-year budget of some $11.5 million.

Notwithstanding the difficult fiscal circumstances, the government agreed to renew the program because it is sensitive to the concerns of minority groups and disadvantaged persons and to their views on the importance of the Court Challenges Program.

The minister announced on May 10, 1990, that the Court Challenges Program would be extended for another five years. It will have a five-year budget of $13.75 million. However, the program will now be administered by the Human Rights Research and Education Centre of the University of Ottawa. An agreement was signed with the centre on July 22. The Canadian Council on Social Development felt that it was no longer appropriate for it to administer the program and that another organization should assume responsibility for the Court Challenges Program.

Mr. Speaker, I can therefore assure the hon. member that the government fully supports the Court Challenges Program and what it is trying to achieve.

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to return to a question I asked on December 12 of last year. The question concerned the closure of the Canso fish plant. I want to review some of the chronology that has taken place since that question was asked on December 12.

On December 11, National Sea Products closed its fish plant operations in Canso, putting 750 people out of work and closing down the town's only industry. This action began a struggle by the people of Canso, a struggle which has been dramatic and which has made Canso a national symbol.

I have pursued that struggle on behalf of the people of Canso here in the House of Commons, asking repeated questions in the House and following this issue since that question on December 12.

Later on that same week of December 12, I was privileged to have the hon. Speaker accept my request for an emergency debate, and on December 18, we debated in this House the crisis in the Atlantic fishery, raising this matter to a national concern. Canso had become a symbol. The people of Canso did not take the closure of their fish plant lying down. They held rallies. The trawler workers travelled to Ottawa to convince the government to reverse its decision. The town council of Canso came to Ottawa. When the provincial government provided a very unacceptable deal in February, they turned it down and continued the fight.

• (1810)

Over the summer, after repeated and lengthy negotiations, the provincial and federal government, through the Minister of Fisheries, worked out a deal with a new consortium called Seafreez Foods Ltd., which has allowed Canso to achieve a new lease on life. This Seafreez deal has enabled up to 500 of the 750 people who were working at Canso to resume their work in the fish plant. Through a complex arrangement with foreign fish operators, it allows the trawlermen in Canso to go back to work.

Today, there are 12 people hired at the Canso plant. They have a new manager, and four trawler boats are ready to go out to sea. The refrigeration unit is being replaced and the plant should be in full operation in mid November. This turn of events is a result of the determination and tenacity of the people of one small community in Canso not to take the loss of their livelihood lying down. It is a symbol of their determination to maintain

their livelihood and to demonstrate to both the federal and provincial governments that they are determined to continue the work that has nourished their community for centuries. The people of Canso are committed to making the deal work and to being able to continue their long association with the sea and keeping the town alive.

The deal that has been worked out is an imaginative and workable deal. It represents a major commitment on the part of both the provincial and the federal government and the companies involved. I wish to compliment the federal Minister of Fisheries and Oceans for helping to put this deal together. I would like to say as well that I expect the government to hold to the commitment that has been made to the people of Canso and to Cansonians that this deal will ensure a stable future for their community. Cansonians will accept nothing less.

I want to mention that the crisis in the Atlantic fishery is by no means over. There is still a great deal of anguish and hardship throughout Atlantic Canada in many fishing communities as a result of the declining fish stocks and the mismanagement which has occurred in recent years through the fishing industry. The crisis will not be over and we will have to continue to work toward a new arrangement which will allow communities like Canso to grow and prosper.

One of those communities is Lockeport. Unfortunately, the town of Lockeport, which has been in a similar situation to Canso, has not been able to come up with a deal that satisfies the requirements of the provincial government to be able to open its fish plant. That is one community among many that needs to have continuous support, and continued work will have to be made in order to ensure that its industry is preserved.

As the fisheries critic for my party, I am committed to working toward ensuring that fisheries policy ensures the survival of these communities, wherever they may be, and ensures the future of a stable fishing industry.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I want to say that the Government of Canada is committed to assisting the community of Canso which has seen its fish plant close as a result of resource reductions in important Atlantic groundfish stocks.

In May, the Government of Canada announced the Atlantic Fisheries Adjustment Program of $584 million in assistance for the fishing industry.

• (1815)

These funds will implement a long-term strategy for the fishing industry and include a short-term adjustment package, with a commitment to spend up to $130 million to assist employees in Nova Scotia and Newfoundland who were laid off because of declines in northern cod stocks; an additional $28 million to improve surveillance; $150 million for rebuilding the stocks; $130 million for adjusting to current realities; and $146 million for economic diversification both within the fishery and outside.

These special initiatives are in addition to ongoing federal programs to assist in a workforce adjustment and to attract other enterprises and alternative employment opportunities to Atlantic Canada.

The National Sea processing facility at Canso was closed as a result of northern cod quota reductions. Canso is therefore eligible for assistance under the short-term adjustment package. Of the $130 million available under this initiative, $26.7 million have been projected as required for Canso. These funds will be available over the four year period to 1994 on adjustment measures such as training programs, community development initiatives, and other measures.

The Atlantic Fisheries Adjustment Program includes $146 million to foster diversification within the fishery and to promote alternative employment in areas affected by quota reductions and stock depletion. Canso is also eligible for assistance under this initiative.

In addition, on August 10, 1990, the Government of Canada announced support for the Seafreez proposal which the member spoke about. This initiative will protect and maintain 500 jobs at the Canso plant. It is great to hear that it is starting in operation again. Certainly it sounds as though by mid-November, by what the member was saying, it is going to be operational and quite a number of people will be working. It is rewarding to see something like this happening and that plant being utilized.

We believe that these initiatives will secure the future of the community of Canso and permit it to continue its 400–year involvement with the Atlantic fishing industry.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6.17 p.m.

HOUSE OF COMMONS

Friday, October 26, 1990

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CROWN CORPORATIONS DISSOLUTION OR TRANSFER AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Friday, September 28, consideration of the motion of Mr. McDermid that Bill C–73, an act to provide for the dissolution or transfer of certain Crown corporations and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if this were an isolated measure before us today, namely the proposal in the bill to dissolve, transfer or sell Canada Harbour Place, Canada Museums Construction Corporation, the Canadian Livestock Feed Board, the Canadian Patents and Development Limited, the Harbourfront Corporation and Mingan Associates Limited, this bill in its entirety and scope would be a source of concern.

This measure has to be seen against the background of a trend, a pattern. If we look at the record of the Conservative government on the matter of privatization, which actually is a very fancy word to replace the words dismantling Canada, and the interest of the Canadian public in a number of very fine initiatives, then we find a remarkably long list of measures that this government has carried out.

I would like to remind people of the sale of shares of Air Canada, the sale of the CN Hotels, the sale of a CN subsidiary called CN Route, and the sale of Canadair Limited. If that were not enough, this government managed also to privatize Canadian Arsenals Limited and went on happily with the sale of de Havilland. Northern Canada Power Commission was not spared nor the Northern Transportation Company. Then there is Northwestel Inc., Pêcheries Canada Inc., and in 1987 there was the sale of Teleglobe Canada, with proceeds of some $500 million in cash from that sale, a crucial and key industry. There is Terra Nova Telecommunications Inc. on the list of corporations that have been partially or entirely sold.

Crown holdings that have been sold include CNCP, and probably the jewel in the Crown in the sixties and seventies when we were attempting, and were quite successful, to establish Canadian public ownership in key industries, the Canada Development Corporation. Add to that Fishery Products International Limited, Nanisivik Mines Ltd., and Varity Corporation.

To that, one must add initiatives which are now being considered. What emerges is a picture of the Government of Canada under Tory stewardship busily intent on dismantling public ownership in this country.

• (1010)

In doing so, whenever there is the sale of an item, we do not always know whether the new owners will be Canadians or foreign interests, thus increasing of course ownership on the part of foreign investors.

This is a very disturbing pattern, but we cannot accuse the Tories of being inconsistent. Actually, the Progressive Conservative Party has been very consistent in this matter. It has promised to privatize Canada, and it is doing that quite effectively. It is giving away the public interest to the private sector, and sometimes to the private foreign sector.

That is a very disturbing fact, which nobody in this House can deny. In addition to that, we have seen the dissolution of the Foreign Investment Review Agency in 1985. We have seen a constant systematic weakening of the CBC. We are now at the eve of the sale of Petro–Canada about which many of us will be denied the right to speak because of closure.

I would like to remind you, Madam Speaker, that when Petro–Canada was introduced in the seventies, as the hon. member for Kingston and the Islands quite rightly pointed out the other day, closure was introduced after 15 days of debate. This government allowed debate for only two days before introducing closure, thus denying probably half of all membership in this House an opportunity to speak.

We are on the eve of the sale of Petro–Canada, which is the wrong thing to do for a number of reasons, which would take all the time allotted for this intervention. Madam Speaker, you have the privatizing of Unemployment Insurance through Bill C–21, because the public interest has been withdrawn in the funding of that very important commission. Madam Speaker, there is also the partial privatization of Air Canada.

At this rate, Madam Speaker, the day will come when this government, if given the chance to continue to govern, will attempt possibly to privatize Parliament Hill. It will try to find a good American sponsor, someone probably like Coca–Cola, Kodak or as my colleague from York South says, perhaps McDonald's or Kentucky Fried Chicken? Why not? It could be a very profitable place to privatize. Madam Speaker, you could make money. Why not let this public investment go into the hands of the private sector and into the hands of these great entrepreneurs who know how to make a profit?

Why does the minister in charge of privatization not make a proposal in this House for the privatization of old age pensions? They could also be privatized. Why not? It is a very legitimate way of making money.

The government is already privatizing the airports in Toronto, are they not? It is an interesting theme. There is a phenomenal investment in the name of the public which, the moment it could become profitable—business enterprise in the hands of the public sector can be profitable as well as when it is in private hands. There is no reason why the Canadian public cannot reap the benefits of good management and still retain ownership.

Nowhere in any text of economics has it been disclaimed, Madam Speaker, that you can have the Canadian public as a winner maintaining and retaining its ownership rather than transforming public ownership into some kind of supermarket and allowing the latest arrival on the market to make money at the expense and with the benefit of the Canadian public.

That is Tory theology. In that sense, we can only say that they are being consistent. Why not privatize the Bank of Canada? The pattern is there. Perhaps tomorrow, we will see a proposal to that effect. If it could be profitable, the government would not stop at proposing to privatize Parliament Hill. It would also privatize the Canadian army, but there it would have some difficulties because nowhere, yet, in recent times, has a government been able to privatize its army successfully.

Bill C–73 has to be seen against that background. It is not just an isolated initiative. It is not just something that happened all of a sudden around the cabinet table because the minister wanted to make a mark in history by coming to the House to pass a bill and demonstrate that he is active. This is part and parcel, consistent with Tory ideology: the dismantling of public ownership in Canada. Of course, in the next election we will make sure that this fact is not forgotten by the electorate.

Moving to the measure itself, Madam Speaker, because time is short, let us examine what the minister promises, what is in the bill, and what the Crombie royal commission recommends.

The minister in his intervention in the House assured the nation that when it comes to the sale of the Toronto Harbourfront Corporation, which he wants to wind up and dissolve, that the following will take place, and I am reading from *Hansard* at page 13555:

> —once a settlement has been negotiated with Ontario, the city of Toronto and other parties.

He proceeds by saying that:

> The proceeds from the sale of the assets will be used to provide for the development of parks and infrastructure on the site—

—and finally—

> and to assist in the creation of an independent, locally–controlled entity—

—listen to this—

> —having a capacity to continue the very excellent cultural programming that we know takes place at Harbourfront in Toronto;

That is beautiful rhetoric. These are the three commitments that the minister made in point (5) of his presentation. I urge you, Madam Speaker, to try to find them in the bill. You cannot find them, because all it says in Clause 40 is that the Minister of Public Works, once this bill is passed, is authorized to procure the dissolution of Harbourfront Corporation. Period, paragraph. That is the end of the Progressive Conservative commitment to Harbourfront.

The minister made a commitment in the House and we cannot find the equivalent of that commitment or the substance, the legal powers demanded to what he promises to do in the legislation. That is very, very disturbing. There are no safeguards. There are no conditions in the legislation.

We know that the book value of Harbourfront today is $31 million.

Mr. Mills: That's a give-away.

Mr. Caccia: This was going to be owned by the public of Canada, the people of Canada. Suddenly, this is going to be given away. Who knows how, who knows to whom, and who knows for what purpose? Certainly to make a buck. That we know because that is what the Tories understand well.

Now that we know what the minister promises, now that we know what is in the bill—

Mr. Bosley: Don't tell us about leases.

Mr. Caccia: Madam Speaker, I suppose that the member for Don Valley West finds my intervention perhaps a little bit too Latin and temperamental, but apart from that he does not like to hear what is being said in here. He comes from Toronto and he may perhaps be worried about the future of Harbourfront, too. I know him to be a very public-spirited, public-minded member of Parliament. If I were in his shoes—and I do not know what happens in the Tory caucus—I would have fought tooth and nail against this bill. Would you not have, Madam Speaker? This is a dismantling of the waterfront in his own city.

This is the access to the lake that we are discussing. It is the greatest environmental asset which the city of Toronto has. Attempts have been made since 1972 to provide an open publicly-owned area, which unfortunately has been partially cluttered. Nevertheless, there is a possibility still to see the lake and have access to it. Suddenly, we are saying: "Well, let's sell it. Harbourfront can go. Give up your lake and say goodbye".

• (1020)

That leads me to this excellent report, *The Water Shed* by the former member for Rosedale. He was a very fine minister while he was here in Ottawa and probably left because he was utterly frustrated. On page 129 of that report, under the heading "The Future of Harbourfront", the Royal Commission on the Future of the Toronto Waterfront states: "The lands, properties, and residual interests now managed by Harbourfront Corporation and those still in the inventory of Public Works Canada should be held and administered by Public Works Canada, on a temporary basis, until appropriate agreements with the city are implemented." That is not in Bill C-73 and it is very legitimate for the Opposition to raise this at this point and to ask why it is not in Bill C-73.

In making recommendations regarding the future of the Toronto waterfront in another report, the same author, Mr. Crombie, stated, and I quote from *Parks, Pleasures and Public Amenities*, volume 4, at page 68: "We recommend first that there be no further sale of lands currently held in public ownership." How do you like that?

Where is the co-ordination, the integration, the synchronisation between the government and its own Royal Commission? Maybe someone from the government benches will rise to offer an answer, a justification, or some kind of an explanation.

What is the point of having the Royal Commission on the Future of the Toronto Waterfront produce this outstanding documentation and give recommendations, only to have a silly little bill, Bill C-73, ignoring the work that has gone on for the protection of one of the most important waterfronts in Canada? It does not make sense. It is insane.

Time does not permit me to analyse what is being proposed in Vancouver. Again, another beautiful, private grab is shaping up in that city as well. I will stick to my own home city.

It is quite clear that this bill, Bill C-73, is reflective of the Tory vision. It is a vision which uses the public and what is in public ownership for the promotion of the interests of large business and powerful interests in society. Not only that, but it offers the opportunity to the private interests in society, utilizing investments originally made with public funds. First, the public is asked to take the risk. The public is asked to make the investment. Then, at the threshold where that investment promises to be profitable or become an opportunity for

the private sector, then the public is told: "You public just withdraw. We will let the private sector milk that particular cow now". That is wrong. That is ideologically wrong and we resent it. That is not good public policy. We resent the fact that investments made by Canadians—

Ms. Campbell: Nobody has $250 million—

Mr. Caccia: The Minister of Justice has something to say and I will be very glad to listen to her full statement, later on in the debate. I have a great respect for her and I will be glad to hear what she has to say on the question of public and private ownership.

All I can say to the minister is that to us it seems a disgrace. It is shameful to see what is being proposed by this bill and to examine also what has happened over the last five or six years under the Tory regime. It has disregarded the public and the Canadian interest in a number of sectors. It has also denied the opportunity to the public of being involved in the ownership of corporations which could be profitable in the name of the public.

I know that my time is up, Madam Speaker, and I appreciate your patience.

Nowhere can the Tories claim there is a precedent or proof that one cannot be profitable in the public name, in public ownership. What we are witnessing here is a distortion and perversion of the public interest. It is not right to sell public ownership to the private sector when there is an opportunity for the public to be protected and, as well, to make a profit which the public deserves to receive.

Therefore, for these reasons—and I am glad that we have speakers on our side here today—we can only reprimand the government very deeply and guarantee that this will be one of the strong items raised in Toronto during the next election campaign.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Madam Speaker, I would like to comment on what was said by my opposition colleague, who accused our Conservative government of dismantling and destroying public corporations, and say that what we are dismantling is this empire the Liberals built and the underlying philosophy that helped to stifle private enterprise. I am surprised to see he is supported by some of his colleagues who have been extremely successful in the private sector and who certainly contributed— Yes, you, my dear colleague— who contributed to the economy of this beautiful country of ours. I believe that the Liberals went wrong when they pesisted in the kind of attitude that was extremely useful in the immediate postwar context, when it was necessary for the government to take on far broader responsibilities. It is time the Liberals realized that attitudes have changed and that the government is no longer expected to get involved in every single social and economic sector, nor should it.

I think the Liberals' policy of centralization has tended to stifle private initiative. To centralize means to homogenize. This may have had its uses at a given time, except that eventually, we must acknowledge the existence of individual differences and allow the expression of those differences. Private businesses are the ideal vehicle for individual expression and initiative. In Montreal North, in my riding, since a number of vast empires built by Liberal ideologues have been privatized, employment opportunities and the market share of our private businesses have increased, and I am thinking of Canadair, Teleglobe and Air Canada. Privatization has been instrumental in updating operations and restructuring resources. As you know, centralization means more bureaucracy, and that is what I wanted to point out, Madam Speaker.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, I understand the hon. member's concern and why she feels she has to defend this bill. As a government member, it is her duty to blame the Liberal Party and the Liberal government, but I want to point out that it was the Liberal government at the time that purchased the Toronto Harbour front Corporation and Canada Harbour Place in Vancouver, and we did this in the public interest. I realize, we do not see eye to eye on the government's role in protecting the public interest.

• (1030)

[*English*]

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, the member for Davenport's defence of public enterprise was most rewarding to hear from this side of the House, knowing that it sometimes took a lot of pressure from this side of the House to have the other

party move into areas of public enterprise, one of which being the Crown corporation, Petro-Canada.

The member for Davenport indicated that he was most disturbed by the fact that he was denied the right to speak on the Petro-Canada bill because of the closure actions of the government. We obviously at this end of the House, as well, are quite disturbed by the closure action on this very important bill to privatize Canada's national oil company.

Today, in the newspaper we read that Petro-Canada's profits in the nine months ending September 30 have increased to $80 million from $1 million in the previous year. When the Minister of Privatization and Regulatory Affairs introduced the Petro-Canada bill earlier this year, he indicated that Petro-Canada was not earning profits, and it was a good time to privatize Petro-Canada.

Today, with oil prices being what they are and Petro-Canada leading the way in increasing prices at the pumps, its profits surging to $80 million this year, I ask the member for Davenport if he would take a minute to tell us why he does not support the government on its privatization move. Why does he support the maintenance of Petro-Canada as a Crown corporation?

Mr. Caccia: Madam Speaker, the question as to why I support Petro-Canada as it is now is a long subject. In essence, to say it very briefly to the hon. member for The Battlefords—Meadow Lake, it boils down to the fact that Petro-Canada has an incredible future and role to play on behalf of the Canadian public in the decades ahead because of environmental issues, such as climate warming, which are beginning to emerge at the horizon, and because we have to find ways of reducing our dependence on fossil fuels and, therefore, generate or develop alternative sources of energy.

I am sure the hon. member knows these things. I do not know whether he is seeking information or whether he wants to very kindly give me a platform to speak on Petro-Canada.

The last thing we should be doing is selling it. If anything, we should strengthen and expand its mandate. I see here the member from Edmonton who has made excellent speeches on this subject on a variety of occasions. We think very much alike on this matter.

I would also like to remind the member for The Battlefords—Meadow Lake that it was the Liberal government which bought Harbourfront, or at least made a commitment to buy Harbourfront in 1972, because at that time it realized that something needed to be done to establish a window, so to speak, for the citizens in order to have access to the lake. This is what makes this measure particularly offensive.

Mr. John Nunziata (York South—Weston): Madam Speaker, I would like to take this opportunity to congratulate the member for his speech here this morning on Bill C-73. As you know, Madam Speaker, the member for Davenport is a veteran member of this Chamber. He has been here for a significant number of years and he and the member for Broadview—Greenwood are here today for the same reason that I am. We are all members from the Toronto area. It is not often that we have the opportunity to speak to an issue that will directly affect the 2.5 million people who live in metropolitan Toronto, indeed people who live in greater metro Toronto.

We are shocked at the fact that this government would at this time privatize Harbourfront. It seems to me that this government is totally ignorant of the situation at Harbourfront. What makes it worse is that it was a Conservative member from the Toronto area who introduced this bill, the hon. member for Brampton.

Can the hon. member for Davenport indicate to the House what has happened on the waterfront over the last number of years as a result of allowing the development to take place without enough government control? He knows, and in particular the members from Toronto know, that the private sector has to a certain extent destroyed the harbourfront because of the free-wheeling development that has gone on there.

Perhaps the member can explain to the House, for the benefit of those who do not come from the Toronto area, what the private sector has done to Harbourfront and whether he believes there are existing opportunities to salvage the beauty of the waterfront for Torontonians for generations to come.

Mr. Bosley: What hypocrisy.

Mr. Caccia: Evidently, a number of serious mistakes have been made along the harbourfront. There is no doubt about that. This is the final blow that should not have been given.

The hon. member for York South Weston in his question also gave the answer to his own question, and very eloquently so. What we want to see now, at least as a minimum, is the retention of the public interest or what is left in public ownership. This is what we are objecting to in the light of what has happened recently.

Hon. John Bosley (Don Valley West): Madam Speaker, I had not intended to enter into the debate. I had intended only to enter into comments. Since that time has expired, I wish to put a few things on the record.

I listened, Madam Speaker, to the comments of the hon. member for York South Weston, who clearly was never around in the days when some of us were asked to be part of the planning committee for Harbourfront 15, 16 or 18 years ago. As members of the council of the city of Toronto and metropolitan Toronto, we pleaded with the government—and the member who has just spoken was a minister of that government—to turn the property over to the metropolitan council. The government of the day, led by members who were then in cabinet, who have just spoken, absolutely and utterly refused to take any position that would commit or allow the people and the citizens of metropolitan Toronto to own and to manage the harbourfront park themselves. So, many, many years later, a very sensible—

Mr. Nunziata: That's not what the bills says.

Mr. Mills: Not to public ownership.

Mr. Bosley: It is amazing how the facts cause reaction, isn't it?

Some years later, David Crombie, who is one of the smartest guys in municipal affairs this country has ever seen, recommends, if you read the document fully, that the Harbourfront Corporation be turned over to a negotiated local entity for local control and local management, and that is precisely—

Mr. Caccia: That's nonsense.

Mr. Nunziata: Question, question.

Mr. Bosley: Yes, it is. Yes, it does say that. That is exactly what it says. It says that what should happen in the Harbourfront Corporation is that it should be put under local control.

What this bill says is before you can do that, you have to introduce the legislative authority to allow the Minister of Public Works to take the legislative steps necessary to permit that change.

There is nothing in this bill that requires the properties of Harbourfront to be transferred to private ownership and members opposite who claim that are utterly misleading the House. Read the whole bill. It is very simple. It allows the minister to wind up the corporation. That is all it allows the minister to do. If you want local control of Harbourfront, then this bill is the absolute *sine qua non* in law to allow the minister to do that. Any other suggestion by Liberal members opposite that there is anything else in this is the same kind of distortion that was made by Liberals in 1972 when they said that the people of Toronto would be allowed to run this property and then put every roadblock possible in the way of allowing that. It is typical attempts by members opposite to destroy the capacity of local Torontonians to run Harbourfront the way they should have been able to do from the beginning.

• (1040)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, do I have a question or can I debate? Is it a question period?

Madam Deputy Speaker: We had resumed debate. The hon. member for Don Valley West used only a few minutes, but that was debate. We are now in a period of questions or comments.

Mr. Mills: Okay, but is it a question period?

Madam Deputy Speaker: I am just trying to answer your question, if I may.

Mr. Mills: Okay, I will ask a question.

Madam Deputy Speaker: This is now the period for questions and comments.

Mr. Mills: First of all, Madam Speaker, I want to say through you to the hon. member for Don Valley West that I may have a misunderstanding here, but is he saying that this bill states categorically that this is just a matter of transferring Harbourfront from the Government of

Canada to local governments, whether they be provincial or municipal?

My interpretation of the bill is that there is a book value at this moment in time in a depressed economy of approximately $31 million on Harbourfront, and it is basically up for sale to whoever will come along and buy it, whether it is a developer or whoever.

I would feel more comfortable if he were suggesting that we can only move it into a different form of public ownership where the object then in terms of service is totally different than a property that is in the private sector.

Could the hon. member please clarify for me, because I have the impression that he was saying that this is not going to go into private ownership. It is going to go into just another form of public ownership.

Mr. Bosley: Madam Speaker, I may take the member back to the beginning. It is wonderful now to hear Liberals talk about how Harbourfront ought to stay in public ownership and use since it was Liberals who required that the property be developed by the private sector for private purposes.

Mr. Mills: Jointly.

Mr. Bosley: That was the only way in which the public was to be allowed access to any part of it. That was not the position—

Mr. Mills: Jointly. What's the reality?

Mr. Bosley: That was not the position that was taken by the local councils of the—

Mr. Nunziata: Make it specific.

Mr. Bosley: It is absolutely typical, Madam Speaker. It is impossible anymore to get a rat-packer to listen.

This bill proposes that the minister be allowed the legislative authority necessary to dissolve Harbourfront Corporation. It says nothing about who will get the property, who will get management and control of the assets. What it does say is that the minister will have the legislative authority in order to take the steps that become necessary when the minister has concluded his negotiations that the hon. member knows are under way now with the province of Ontario and the municipalities to attempt to resolve the impasse that currently confronts the Harbourfront Corporation in its management of its affairs.

Whatever that negotiation produces, and one hopes in fact that the province of Ontario and the city will be able to get more public property than even the parklands that were originally promised, that little bit of public access parkland that was promised in the Harbourfront Corporation plan, that that negotiation will produce even more public access to the site.

The change that will be needed in law to allow the entity that Mr. Crombie recommends to manage that property is that the Harbourfront Corporation has to be legally dissolved in order to make the transfer to the new management body. I do not know, nor does the member know, what those negotiations will produce as the recommended solution. The member does know, however—

Mr. Mills: It will go to private development.

Mr. Bosley: No, the member makes an assumption that the lands get transferred to the private—

Mr. Mills: You assume otherwise.

Mr. Bosley: I make no such assumption. I make an assumption that there is a negotiation that has to go on and I am well aware, as the member is, that in order for the minister to implement the federal part of whatever that negotiation produces, this is the beginning of the legislative changes that are needed to do that, the end product of which must be greater control, locally. That is the ultimate objective that some of us have been fighting for 15 years to get.

Mr. John Nunziata (York South—Weston): Madam Speaker, we understand the bias of the particular member. His family is in the real estate business. I am not suggesting his family would benefit in any way from the sale of the assets of Harbourfront. It reflects a particular point of view or a particular disposition in terms of the private sector being able to do certain things and to earn a lot of money as a result of the sale and disposition of assets that belong to the people of Canada.

If the hon. member has read the bill, he will know what is contained under section 40, subsection (2). In case he has not read it, I will read it for the public record:

> The Minister of Public Works may do all things and perform all acts necessary for or incidental to closing out the affairs of Harbourfront Corporation.

In other words, if this bill passes, the Minister of Public Works, without having to come back to Parliament, without having to receive the endorsation of this

Parliament, may sell all the assets of Harbourfront to the private sector.

We on this side of the House are saying that it is the wrong move to take. If the national government no longer wishes to be involved with Harbourfront, we can accept that but on the condition this bill specifically says—and would the member not agree that it would be far more acceptable to his constituents and the people in the city of Toronto to have a very specific provision—that the assets of Harbourfront must be sold to either the city of Toronto, the municipality of metropolitan Toronto, or the province of Ontario. In that way the people of metropolitan Toronto can at least be guaranteed that there is still some opportunity for the public to exercise some control over the development of Harbourfront.

The member from Toronto knows that the Huang Danczkay mess that is there on Harbourfront is a disgrace to the city of Toronto. That is what would happen if Harbourfront were to be handed over to the private sector. The private sector is in business not to create green open space, not to create parkland, not to make the waterfront a nice place to be, but to make the big bucks.

Does the member support private developers, and in particular the real estate industry, making huge profits at the public expense and thereby destroying the waterfront and Harbourfront in Toronto?

Mr. Bosley: Madam Speaker, there is nothing so revisionist as the Liberal mentality. Huang Danczkay got the site on which to build the shoddiest apartment buildings that were ever built at the time because of the rules imposed on the Harbourfront Corporation by the Liberal cabinet of the day. The city of Toronto was left no choice by the cabinet of the day if it wanted to have access for public use of the public park but that that project be approved. Those were the rules of the Harbourfront Corporation imposed by the Liberal cabinet of the day that many of us tried to stop.

The hon. member chooses to drag my family's name into it. Yes, my family is in the real estate business. We were also the longest serving directors of the Toronto Harbour Commission, and my grandfather was also the chairman for the longest number of years of anybody. I can tell the hon. member that not once in our professional lives did we take a fee or have anything to do with anything in the harbourfront for 14 years because we value it. One of the reasons I became involved in municipal politics was to try and stop what Liberals were then doing to my harbour.

For the member to suggest now that the destruction of the Harbourfront property was caused by anything other than the rules that were imposed by the Liberal cabinet is so revisionist it is beyond the pale. What we needed then and what we need now is the greatest possible local control of that site by local entity, however the players involved choose to negotiate the end product that will come out of those negotiations. I do not know whether it will be new a Crown corporation that is provincial or a new Crown corporation that is local. I do not know what it will be. It will be whatever the partners who are all government partners choose it to be. That is what this is designed to allow to happen.

I suppose I should not be surprised, but for Liberals who created this mess to ignore the heritage they created and say that somehow this is an attempt to turn it over to the private developers is unbelievable.

• (1050)

Madam Deputy Speaker: The period for questions and comments is now over.

Mr. Nunziata: Madam Speaker, I rise on a point of order. This is an extremely important debate about the future of waterfront. The member is a senior member of the Conservative Party. I seek unanimous consent of the House for other members to continue asking questions of the member from Toronto.

Madam Deputy Speaker: The House has heard the suggestion of the hon. member. I guess the hon. member for Don Valley West should also be consulted.

If there is unanimous consent, I am ready to allow it. Is there a consent?

Some hon. members: Agreed.

Some hon. members: No.

Madam Deputy Speaker: Consent is not given.

Mr. Nunziata: Let the record show that it was the member himself—

Some hon. members: Oh, oh.

Madam Deputy Speaker: I would not want to let the hon. member for York South—Weston impugn motives to the member for Don Valley West, because he is not the one who denied unanimous consent. I think the record should also show that.

Mr. Nunziata: Madam Speaker, I rise on a point of order. You asked for the unanimous consent of members of the House, and I specifically saw the member for Don Valley West shake his head in the negative when you sought unanimous consent. You may have seen someone else say no on the Conservative side.

Madam Deputy Speaker: I have not only seen other members. I heard a no and automatically if there is one no—and there was more than one—there is not unanimous consent.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, first of all, I want to say that I am not one who is opposed to privatization in certain conditions. I am not one who is opposed to looking at Crown corporations and seeing if they have outlived their public purpose. If all of a sudden the private sector wants to get involved because it can do a better job, I have absolutely no problem with that.

I am also one, by the way, who is not running away from Harbourfront. I happen to believe that Harbourfront is a multicultural mecca. Sure, it has some flaws, but I think it is one of the finest people places in North America.

I think of many of the joint ventures between the Government of Canada and the private sector, such as the Queen's Quay, the first building that went up with Olympia and York. It was a great joint venture. During the special recovery program period during 1981–82, when times were so bad, we were able to add parking lots. We have a great antique market down there and a beautiful skating rink that people use during the winter. All of these are pluses.

Even though the processing of the apartments on Harbourfront is really questionable, I happen to think that Huang Danczkay who built these apartments in record time, with all of the problems, probably did not do a bad job. There were many great builders and developers that pulled Harbourfront up from absolutely nowhere and, in joint venture with the Government of Canada, made it one of the best people places in Canada with cultural and recreational events. The men and women who put it together over many years—Liberals, Tories, NDP—helped to make it a great place.

Where my problem comes in with this bill is that Harbourfront, as it is evolving right now, is doing a fabulous job. We cannot ignore the fact that the Government of Canada, with taxpayers' money to the tune of about $250 million that has been put into this place, is part of the reason it is so great.

Now all of a sudden we come along and we have Harbourfront running beautifully. We have people sensitized to the fact that there should be no more development down there. Even though sometimes we think that green space is the only way to make a people place, we can also have development and density. That can also create a people park. I am satisfied with that.

What I cannot understand is why this government is taking a jewel like this, our Harbourfront, putting a book value of $31 million on it, and putting it up for grabs. I am really trying hard to understand the point of the hon. member for Don Valley West, although I resent the fact that he calls me some kind of a rat packer, because that is not my traditional style. I am not taking anything away from my colleagues, because there are different styles.

However, it is absolute craziness to take a public piece of property that is probably worth $300 million and put a book value on it of $31 million. If they were to say that they were going to transfer it to the public sector specifically, because maybe the city or the province could do a better job, then I would not have as much of a problem with it. I am a centralist, and I think that the national government should have some say in what goes on there. It is not just for the people of Toronto; it is also for tourism and people who come to our city.

I have a very serious concern about this Harbourfront deal. The developers who put Harbourfront together, not taking anything away from their craftsmanship, are great people; but it is the same group that is basically now in charge of, owning and running Terminal 3. When I say "owning", I know there is a technical word here called a "lease". It is a 40-year lease with a 20-year option on the third largest airport in North America.

What concerns me is that this bill is so tricky, because we have wrap–ups of museums, constructions, corporations, and the Patent Act. In there is also the harbour lands of B.C. I am absolutely dismayed that the Minister of Justice is supporting this bill.

Pearson International last year made $70 million profit. That is before depreciation, and a lot of people say that it is being run poorly; in other words, that the private sector could come in and do a better job and increase the value. I give you that, Madam Speaker. Maybe the private sector could come in and do a better job.

It has been over 10 years. That is $1 billion worth of profit that the Government of Canada has traditionally used to help make sure the tarmac surfaces were maintained and make sure that smaller airports were maintained around this country.

Now what has the Government of Canada done? The Government of Canada has given to the private sector Terminal 3, which is really nothing more than a cash box for the private sector. Yes, it will pay a certain amount each year under the terms of the lease. I cannot get that lease from the Minister of Justice. I cannot get my hands on it. Nobody has seen it, and that is one of the problems that we have in this government.

If it is such a good deal for the taxpayer, why not put it on the table? Why not show that it is such a good deal. I have no problems if in fact the taxpayer is properly being served here. Then so be it. Let it be privatized. However, I have been told by experts who are assisting in that airport project that basically it is a private sector operation and that the Government of Canada has no control on how the public is being served. The public benefit could really go out the window here.

This is one of the reasons I have concern about the Harbourfront in Toronto. If we allow our Harbourfront to be in the hands of the private sector completely, with no government authority, and if we give away our national airport—not just Terminal 3, as the Minister of Transport announced the other day—what will happen? This is not an optional use facility. This is a facility the public must use. I do not mind if it is an optional facility that the private sector can run better. That is fine, but this is not an optional use facility. It is a facility that the public has to use, and it is 50 per cent of the nation.

Madam Deputy Speaker: I apologize for interrupting the hon. member, but he will be able to continue later.

It being eleven o'clock, pursuant to Standing Order 35, the House will now proceed to Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TRIBUTE TO DR. JULES BRODEUR

Mrs. Marie Gibeau (Bourassa): Madam Speaker, today I wish to pay tribute to a great resident of Montreal North, Dr. Jules Brodeur, who was awarded the *Prix de la Recherche en santé et en sécurité du travail* by the Institute of the same name. This week, Dr. Brodeur was selected as personality of the week by the Montreal newspaper *La Presse*.

Dr. Brodeur, who founded the Department of Occupational Health at the University of Montreal, is a professor at the School of Medicine of the University of Montreal. Dr. Brodeur continues Montreal's great medical tradition, following the footsteps of famous medical researchers like Hans Selye, Jacques Genest and Paul David. Congratulations, Dr. Brodeur!

* * *

[*English*]

HERITAGE LANGUAGES

Mr. John Manley (Ottawa South): Madam Speaker, the federal government's decision to seriously reduce support for the heritage languages program last spring has badly hurt the operation of many heritage language schools across Canada. Every child in a heritage language program is now feeling the effect of those cut–backs.

The establishment of a multimillion Heritage Languages Institute will in no way make up for the withdrawal of these basic life line funds for these schools. A non–partisan rally for heritage languages will be held on Parliament Hill at noon tomorrow, sponsored by the heritage language schools of eastern Ontario. A similar demonstration will be held at the same time in Saskatoon.

Across Canada heritage language schools are struggling to keep classes operating and to share their knowledge, languages and cultures with all Canadians. Heritage language programs are an investment in a global future for all Canadians.

All members of Parliament are urged to show their support and attend the rally for heritage languages on Parliament Hill at noon tomorrow.

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[*Translation*]

SMALL BUSINESS WEEK

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, at this very moment, during Small Business Week 1990, Canadian entrepreneurs are facing a series of complex challenges. All those interested in the small business sector will have to pool their expertise, experience and foresight to gain an understanding of what we can expect in the years to come.

Madam Speaker, international markets, international competition and increasingly demanding consumers merely accentuate the problems facing small business.

With this in mind, in 1984 our government introduced its economic renewal program. As a result, we have made tremendous progress in creating new job opportunities, thanks to tax reform, deregulation and the abolition of trade barriers. The government's, challenge in the years to come will be to continue economic renewal, and businesses will have to adjust, to take advantage of the many new opportunities that will be available.

* * *

[*English*]

DAVID IRVING

Mrs. Beryl Gaffney (Nepean): Madam Speaker, David Irving is speaking across Canada and will be in Ottawa at the Ottawa Congress Centre next month. He is spreading a message that the holocaust was a fabrication.

David Irving testified on behalf of Ernst Zundel that Nazi Germany had no official policy on the extermination of Jews and he doubted six million Jews were systematically killed.

Such holocaust denial is offensive to all Jews and to anyone who supports fundamental human rights and is bound to engender hostility towards some Canadians. Therefore, I especially question the appropriateness of providing Mr. Irving with a platform in a building owned by the government and operated at public expense.

I do not know whether Mr. Irving is a racist, but in my estimation he is certainly not an historian, and does not deserve our attention, but instead our condemnation.

* * *

SMALL BUSINESS WEEK

Mr. Walter Van De Walle (St. Albert): Madam Speaker, Small Business Week recognizes and encourages the entrepreneurial spirit of thousands of Canadians who operate a small business in our country. This year's theme, *Quality and Productivity: The Competitive Edge* is most appropriate.

Small businesses are the cornerstone of the Canadian economy. They are the main source of new ideas and new wealth, and account for three-quarters of the jobs created in Canada in the past few years.

Small Business Week is highlighted by such activities as trade fairs, exhibitions, information sessions, conferences and award presentations in every region of Canada.

I will be attending an award presentation in my riding of St. Albert on October 27. The Chamber of Commerce will be presenting an award to the St. Albert businessman of the year. I am proud to recognize the men and women who, through their small businesses, contribute so much to the nation's prosperity.

* * *

SMALL BUSINESS WEEK

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, as the sun sets on Small Business Week, the darkness is closing on small business in Canada. High interest rates, free trade and the GST are all succeeding in driving more and more entrepreneurs out of business.

As we see a growing number of businesses go into receivership or bankruptcy, we have to ask ourselves where we will find the entrepreneurial spirit the government has talked about.

Will we find it in the small one and two-person firms whose operators do not have the will to continue in the face of becoming unpaid GST tax collectors for the federal government?

Will we find it in the furniture manufacturers who have gone broke?

Will we find it in the retailers along the U.S. border who are closing their shops because they can no longer compete with the Americans?

Will we find it in the hospitality industry which is already overburdened with taxation by this greedy government?

I strongly fear that the only spirit will be the ghost of small business, small business which has been killed by this government's policies.

* * *

AGRICULTURE

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, potato farmers in New Brunswick are facing a disaster. Heavy rains and wet weather this fall have placed this $70 million industry in jeopardy. As thousands of acres of potatoes lie rotting in the ground, as much as one-quarter of the crop is already lost.

The New Brunswick potato agency estimates that 20 per cent of those involved in the industry in my riding will be unable to survive this severe economic blow. At this time, we do not know what the cumulative loss will be, but we do know with certainty that difficulties lie ahead. We will be looking for a joint effort between the federal and provincial governments to assist.

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INDIAN AFFAIRS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, in an agreement reached between the province of Ontario and the federal government, the province recently announced that it will provide reserve land at no cost to the federal government for the six Ontario bands who have been fighting for reserve status since 1985.

The announcement is good news for the six bands, since they have been living in conditions not unlike those found in Third World countries. There is no running water, no indoor plumbing, no schools in some cases, no electricity, no telephone service and the housing is well below standard.

The only thing separating these communities from improved living conditions is the final approval by the federal cabinet. Cabinet approval of the agreement will provide the funding necessary to provide the residents of Kee-way-win, Wawakapewin, Saugeen, New Slate Falls, McDowell Lake and Aroland with the infrastructure they so desperately need.

Madam Speaker, I call on the Minister of Indian Affairs to press full steam ahead in order to ensure that cabinet approval is given by the end of the year. The government has to live up to the commitment it made on September 25 if it wants to demonstrate some good faith.

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BILL C-43

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, the Minister of Justice has said over and over again that a federal abortion law is needed to "occupy the field", to ensure that the provinces do not pass their own abortion laws.

Well, 17 of 18 constitutional experts disagreed. The New Democratic Party and the majority of the witnesses before the legislative committee on Bill C-43 disagreed. Now, the Nova Scotia courts have also told her she is wrong.

In the absence of any federal legislation being enacted, the Nova Scotia courts have, not surprisingly, decided that a province cannot pass legislation outside its jurisdiction.

I call on the Senate to be less obtuse than the Minister of Justice, to listen to the experts, to the courts, and to common sense, and defeat this bad legislation.

I also call on the Minister of Justice in the event that this bill is passed through the Senate, to wake up to the facts and not proclaim the bill.

The increasing lack of access to services in the face of this bill is devastating. Hanging on to wrong conclusions in the face of overwhelming—

The Acting Speaker (Mrs. Champagne): The hon. member's time has now expired.

* * *

IMMIGRATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I wish to offer my support to the comprehensive five-year plan for Canada's immigration policy announced yesterday.

In the tragic circumstances of poverty and homelessness for millions of people which we witness in so many places in the world today, surely our intentions to moderately increase our annual immigration levels by 50,000, a 20 per cent increase over five years, will be generously received and supported by all Canadians.

While Canada is noted for its humanitarian principles, there is also a basic demographic reality which immigration serves in this country, the sustaining of our own population levels so essential to our economic viability as a nation. Some experts advise that we should be taking in 1 per cent of our population each year just to keep our total population constant.

The new five-year plan, even with the increases, falls short of that minimum goal. Immigration is part of the challenge for a national commitment to multiculturalism. Together those qualities help to make Canada a richer nation in all respects.

* * *

• (1110)

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Madam Speaker, here we are, at the eve of the second world climate conference in Geneva, and Canada has no position on carbon dioxide pollution reduction. Other countries have, but not Canada.

Why is the Minister of the Environment so reluctant? Is he afraid to give leadership? Is cabinet undecided because it is divided? Who pulls the strings? Is it the minister of energy, who believes that oil companies are philanthropists, operating in the public interest? While he fiddles, other nations are taking firm positions on cutting carbon dioxide pollution.

We are not giving leadership to the global community. No longer are our international positions, from Iraq to carbon dioxide pollution finalized in Ottawa. Alas, Madam Speaker, the Tory government takes its cues from the White House.

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UNEMPLOYMENT INSURANCE

Mr. Ken James (Sarnia—Lambton): Madam Speaker, this past week more and more Canadians are applauding the long-awaited passage of Bill C-21, the changes to the Unemployment Insurance Act.

These much-needed amendments improve the program's ability to help Canadian workers adjust to change.

Madam Speaker, the Canadian public increasingly appreciates the need for a well-trained workforce. They realize the need for a new attitude and approach to labour force training. Our workers deserve a national training effort which better meets the demands posed by structural and technological advancements.

Under Bill C-21, the commitment of an additional $800 million to training is another step in the right direction. To all Canadians I believe that it reflects our pursuit of an effective national training effort, as well as our commitment to helping Canadians find and keep jobs.

* * *

THE ENVIRONMENT

Mr. John Harvard (Winnipeg St. James): Madam Speaker, remember away back when the Prime Minister announced that a centre for sustainable development was to be opened in Winnipeg with a grant of $85 million dollars?

It all sounded so promising, the nation with the highest per capita energy use was going to do something of value. But somewhere along the way the wheels fell off. Funding for the centre turned out to be only $5 million and, as a constituent stated in a letter to me, the original proposal was reduced to tokenism and the concern with the environment tagged as rhetoric. As if that was not bad enough, the government announced a grant of $88 million toward construction of an opera house in Toronto, which makes you wonder about this government's priorities.

I will give the last word to my constituent, who said in his letter to me: "Surely if money is available for a house of pleasure, then it should be available for a research centre that can help solve some of the world's environmental problems".

* * *

PENITENTIARIES

Mr. Larry Schneider (Regina—Wascana): Madam Speaker, I was most pleased to hear of the imminent closure of the Kingston Penitentiary for Women. I would like to acknowledge the Solicitor General's diligence in this area and express gratitude on behalf of the women prisoners and their families.

I am sure that we can all empathize with the extra pain suffered by these women and their families as a result of this separation.

The creation of five new facilities for federally sentenced women located across the country is a humanitarian measure that is long overdue. While the changes came too late for some, who saw no way out of the situation but suicide, there is new hope for others. I am hoping that when the minister makes his decision on the locations of the facilities, that he takes Saskatchewan into consideration. Saskatchewan is centrally located within the prairie provinces.

The economic boost created by the construction, upkeep and employment of this facility would be greatly appreciated. More importantly, the need to keep a reasonable proximity between the women and their families is of paramount interest to the citizens of my home province.

* * *

HUMAN RIGHTS

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, Italian Canadians, Chinese Canadians and Ukrainian Canadians are getting very tired of waiting for the Prime Minister to apologize for injustices that were perpetrated on innocent victims earlier in this century. This is important to our history.

Since 1983, we have been calling on the government to acknowledge the unjust Chinese head tax and Chinese Exclusion Act, which was deliberate racist legislation, separating families for several generations.

Ukrainian Canadians were unjustly interned during the First World War, in 26 concentrations camps across Canada, yet few Canadians are aware of this.

During World War II, hundreds of Italian Canadians were labelled enemy aliens, separated from families and imprisoned. German Canadians suffered similar injustices.

These injustices would never be tolerated under today's charter of rights. They are shameful events in our history. I call on the Prime Minister to acknowledge each of these injustices against fellow Canadians on behalf of all Canadians.

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[*Translation*]

SMALL BUSINESS WEEK

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, during Small Business Week, I would like to draw the attention of the House to the contribution made by small businesses in the riding of Drummond, where leadership and entrepreneurship are a way of life.

As the cornerstone of the Canadian economy, small businesses generate new ideas and are a new source of wealth. Furthermore, they have created nearly three-quarters of the jobs in recent years.

Thanks to the agenda for economic renewal introduced by the Conservative government in 1984, tremendous progress has been made in creating new job opportunities as a result of tax reform, deregulation and the suppression of trade barriers.

Madam Speaker, Canadian entrepreneurs should take advantage of every opportunity they are offered to become even more competitive, innovative and creative, in order to meet the challenges of the 90s.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, my question is directed to the Secretary of State for External Affairs, and in his absence, for the Prime Minister.

Yesterday the Secretary of State for External Affairs said that Canada was prepared to use force against Iraq, to take part in military action of an offensive nature, without there first being a United Nations resolution approving such action. Today there are reports that the United States is sending another 100,000 troops to the Persian Gulf.

I ask the Prime Minister, is there a pattern here? Is Canada part of a co-ordinated action with the United States to escalate the tensions in the Persian Gulf, and is it doing this without first consulting and getting the approval of our House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, Canada is part of a co-ordinated group of like-minded nations that seek the enforcement of the resolution of the Security Council of the United Nations. We have been part of this group quite properly from the beginning and we would propose to remain there.

What we are doing is enforcing, or seeking the enforcement of, a series of unanimous resolutions, passed by the Security Council of which Canada is a member.

I am quite astonished that the Leader of the Opposition, whose party has supported the general approach of the government, would seek to question it today.

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, the approach that we have supported, and which is stated in the resolution of the House, is in support of United Nations' resolutions condemning Iraqi aggression and the use of sanctions to roll back that aggression.

For weeks now, the Prime Minister and the Secretary of State for External Affairs have been telling Canadians that these sanctions are an effective way of rolling back Iraqi aggression against Kuwait and that we must give those sanctions time to work. Yesterday in the House the words of the Secretary of State for External Affairs certainly created the impression that Canada had decided that sanctions were not working and was giving up on them.

Why does the government appear to have reached the conclusion that sanctions are not working? What is the evidence for this? Is this conclusion also that of all the other countries which worked to have the resolutions adopted at the United Nation to create the system of sanctions to deter and roll back Iraqi aggression?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, obviously everyone in the House knows that the question of the Leader of the Opposition is both a distortion of what the Secretary of State said yesterday and a distortion of the statements of the Secretary of State for External Affairs on behalf of the government over the last two months.

In point of fact, the Secretary of State never said the sanctions are not working, and the Secretary of State did not begin yesterday to point out to members of the House the difficulties inherent in seeking the enforcement of UN resolutions.

• (1120)

Indeed, on October 15, some two weeks ago, the Secretary of State for External Affairs wrote to the spokespeople for external affairs of the Official Opposition parties and said, and I quote: "At the same time, I have also made it clear that if President Hussein does not withdraw from Kuwait, in the face of the unprecedented international consensus and under the pressure of sanctions, he must understand the willingness of the world to take further actions, including military action. Canada is prepared to consider, with its Security Council colleagues, what the next steps might be."

The Secretary of State spelled it out very clearly two weeks ago. I do not know why the Leader of the Opposition expresses the view that this was newly minted information yesterday, when it has been government policy all along.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Prime Minister quoted the words of the Secretary of State for External Affairs that Canada would be willing to consider other action with its Security Council colleagues. That can only mean as part of United Nations action.

Yesterday, the Secretary of State for External Affairs said clearly that Canada was ready to take offensive action against Iraq, even though there was no decision first by the United Nations.

[*Translation*]

In this House yesterday, Madam Speaker, the Secretary of State for External Affairs stated that the government is considering the possibility of sending our troops

in offensive action against Iraq, without the approval of the United Nations. That was quite clear, yet the Prime Minister said exactly the contrary when he quoted from a letter of the Secretary of State a few weeks ago.

So I ask the Prime Minister whether he can assure Canadians today that should he decide to involve Canadian troops in offensive action against Iraq, without the sanction of the United Nations, he will not make such a decision without first consulting with and securing the approval of this House?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, in addition to the remarks of the Secretary of State for External Affairs which I have just quoted in English, two weeks ago he also advised the opposition as follows: "It stands to reason that in critical times the situation may evolve very rapidly and require immediate action. As you may recall, on September 24 last I said in the House that if there were any change in the gulf situation the government would confer with Parliament." The Leader of the Opposition may claim to be surprised by these statements, but two weeks ago the Secretary of State did say in writing, and I am sure Madam Speaker will allow me to read his statement: "But at the same time I made it quite clear that, if Saddam Hussein does not yield when faced with the unprecedented international consensus which now prevails and with the pressure of sanctions taken against him, he should expect the world community to resort to other measures, including military action. Along with other countries belonging to the Security Council, Canada is prepared to consider what these measures might be."

What the Secretary of State for External Affairs said yesterday was fully consistent with his earlier statements.

[*English*]

Hon. Lloyd Axworthy (Winnipeg South Centre): Madam Speaker, I have a question as well for the Prime Minister.

This morning I was in telephone contact with Mrs. Joyce Scobery, whose husband is presently being detained in Iraq, and with Mr. Shiraz Rustom, whose elderly parents are being held against their will in that country. They speak for all those Canadians who have family, loved ones and relatives in Kuwait or Iraq. I want to say to the Prime Minister that they do not understand why the government is not prepared to take special measures to release their families or loved ones. The present system is not working.

In light of the plea, the request of these families, and in light of the failure so far to gain release of their relatives, will the Prime Minister consent to send a special envoy, a special emissary, a group of parliamentarians, in order to sit down with the Iraqis and negotiate and discuss the release of Canadians who are presently at risk?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, of all of the Canadians who were in Kuwait on August 2, only 3 per cent now remain.

My hon. friend says that he was in conversation this morning with some Canadians. He concluded by saying that they speak for all Canadians held in Iraq.

Last night on *The National* on the CBC, there were a number of Canadians living in Baghdad interviewed by the CBC. Those who were interviewed said that it would be inappropriate and unacceptable in their judgment for Canada to take action that would diminish the solidarity of the allies in seeking—

Mr. Arseneault: One was censored, Brian.

Mr. Mulroney: One was censored who was trying to get out the message that it would be unacceptable to diminish the solidarity of the allies in trying to bring pressure on Saddam Hussein.

My hon. friends may want to examine the transcripts of last night's television program, but those people were certainly speaking in quite a different way from the suggestions of my hon. friend.

What we are ready to do, of course, is what the Secretary of State for External Affairs has repeatedly said. We will examine all options to be helpful to those Canadians who are there. We will seek to do so in a manner that does not diminish the effectiveness or the solidarity of the members of the United Nations Security Council that put together and voted unanimously in favour of a simple, straightforward resolution that calls upon a dictator and an aggressor to withdraw from an innocent country.

Hon. Lloyd Axworthy (Winnipeg South Centre): I have a supplementary question, Madam Speaker. First, I want to have the Prime Minister confirm that it is true that our present Canadian Ambassador in Iraq has not even had his credentials yet accepted by the Iraqi government

and therefore, his ability to undertake direct negotiations is limited.

I would also like him to confirm what the Secretary of State said in the House yesterday, that, in fact, he, the Prime Minister, and President Bush had discussed this question of hostages in Iraq during a telephone conversation one or two days ago. It is clear that success of the emissaries of other countries has been working. It remains a question why we are not doing the same.

Specifically, is the government not undertaking special measures to get Canadians out of Iraq and Kuwait because President Bush asked it not to?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, even my left wing, anti-American friend from Winnipeg knows that that is a completely false suggestion. He knows full well. I will not even dignify that part of what is really a spurious and unacceptable suggestion by a distinguished parliamentarian. I know that, upon reflection, my friend from Winnipeg is going to want to withdraw that kind of suggestion.

The other question was in regard to the effectiveness of the Canadian ambassador whose credentials are questioned by my hon. friend and who was on television last night as well. The Canadian ambassador in Baghdad said that he was working effectively and well, and that he was the representative of the Government of Canada in terms of dealing with the question of the hostages. I concluded from his intervention that he thought it was going well and that other interventions would be unhelpful.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, my question is directed to the Prime Minister as well.

On August 25, the United Nations passed the resolution supporting an economic blockade against Iraq. The Canadian government sent troops and ships to support that economic blockade.

On Wednesday night, media reports indicated that the blockade was working. On Thursday, the minister responsible for external affairs decided to up the ante, through his inflammatory language, and suggested that Canada would undertake military action without reference to United Nations and without the approval of Parliament. The question that Canadians are asking and that I ask the Prime Minister is this. Is it the policy of the Canadian government to undertake unilateral offensive action with the United States without the approval of the UN Security Council?

• (1130)

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, the Secretary of State for External Affairs discussed the matter in a given context, one of which dimensions implied a possible veto by another or other members of the Security Council.

The Secretary of State for External Affairs has been deploying his personal efforts and those of his department here and around the world, looking for a peaceful solution to what is a very serious matter. At no time has he "upped the ante", to quote my hon. friend. What he has done is repeated what he conveyed to the spokesperson for External Affairs for my hon. friend's party two weeks ago that there are some very serious consequences that flow from this kind of action and, in a realistic manner, Canada, along with our allies which support the United Nations, must be prepared to envisage those consequences.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, a supplementary to the Prime Minister. I would say to the Prime Minister that the Secretary of State for External Affairs said to the committee that Canada would use force against Iraq, with or without Security Council approval. I ask the Prime Minister again, is it the policy of the Canadian government to enter into unilateral offensive action with the United States without the approval of the UN Security Council and without the approval of this Parliament?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, in the communication that was sent to my hon. friend's party on October 15, the Secretary of State for External Affairs indicated very clearly that there would be consultation obviously with the House of Commons. That was very clear cut.

With regard to the statement of yesterday, in its proper context it is fully consistent with the earlier statement set out by the Secretary of State for External Affairs. Simply put, Canada seeks, along with other members of the Security Council and the 150 members of the United Nations who have endorsed the Security Council position, the respect of the Security Council resolution which calls upon Saddam Hussein to withdraw from Kuwait. It

is an innocent country that has been a victim of aggression. We hope that the Security Council resolution can be fully implemented.

We are now part of an effort to bring all possible pressure on Saddam Hussein in regard to this, and Canada will maintain that position.

Ms. Audrey McLaughlin (Yukon): A supplementary to the Prime Minister. Yesterday, the minister responsible for external affairs said in this House that he would not necessarily ask for Parliament's approval for going to war. He said at page 14692 of *Hansard* that we cannot always wait, in reference to parliamentary approval.

There is, however, another serious question and that is the question of the hostages in Iraq.

[*Translation*]

Yesterday's inflammatory statements by the Minister of External Affairs may have some serious consequences for the safety of Canadians being kept hostage in Iraq. Other countries have shown a great deal of prudence and discretion. That is not the case with the Canadian minister who seems to have completely forgotten that the hostages, situation is a precarious one. My question to the Prime Minister is as follows: what does the government intend to do to guarantee the safety of Canadian hostages in Iraq?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, the comments made by the Secretary of State for External Affairs in this respect have been explained at length, not only in a communication from the minister to the hon. member's party on October 15 but also yesterday, in committee, and during Question Period yesterday afternoon. There is no contradiction, none at all, between the position Canada has defended since the beginning of the crisis and the position taken by the Secretary of State yesterday. Only 2 per cent of the Canadians who were in Kuwait on August 2 are still there today. This means that Canada has been very effective in getting Canadian nationals out of the country, does it not?

As for the remaining— Last night, on CBC television, we saw Canadian men and women, including a nurse from Nova Scotia and another Canadian citizen, who seemed to be giving us the message that the Canadian government's policy was appropriate and that they would not approve of sending a special Canadian envoy to Baghdad to more or less beg the president of Iraq to free Canadian nationals.

As for discretion and prudence, I think that Canada's policy has been not only prudent but effective, ever since the beginning of this crisis. We intend to maintain the same firmness and vigour, and in doing so, we will ask for the co-operation of the hon. member and her party.

* * *

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Visa fees charged by her department for family members are now $250. Yesterday, the minister said that part of the cost of her five-year plan would be paid for through a cost-recovery program. Since the family class comes off worst in her plan, could the minister give this group the assurance that visa fees will not be increased?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is important for this government and for the country to cover immigration costs with new fees, and there are no guarantees for any class. However, we feel it is very important for people who come to Canada to have services, and those services must be paid for.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, the minister has just stated that only the rich will be able to enter Canada.

[*English*]

According to yesterday's announcement, the minister wants to put immigration in line with planned immigration levels. Is she introducing for the first time in Canada an immigration quota system?

Hon. Barbara McDougall (Minister of Employment and Immigration): Madam Speaker, I have no quarrel with what we are doing in terms of planning to the levels that we have outlined for the next five years. The hon. member can call it anything that he would like to call it, but what we have is universal access to Canada under different kinds of categories. In order to provide the services that we want to provide for new immigrants to Canada, it is our intention to make sure that the system is managed to the planned levels.

GOODS AND SERVICES TAX

Ms. Ethel Blondin (Western Arctic): Madam Speaker, my question is for the Minister of Finance. Last February, I asked the minister to explain how the GST would impact on aboriginal people who are not covered under the Indian Act, essentially those who are off the reserves.

On August 22, I wrote to the Minister of Finance but received no response. I ask the minister today what the Department of Finance is doing with the treatment of the GST for native people who live off reserves or for a community where there is a mixture of status and non-status Indians. How can he implement a discriminatory tax system where some will pay taxes and others will not?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I appreciate the interest of my hon. friend in this matter. I have been having, either directly or through my officials, ongoing consultations with members of the native communities. When we have a resolution of these discussions, I will be able to make an announcement.

• (1140)

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I have a supplementary for the same minister.

I have just returned from an all-chiefs meeting in the Atlantic with my colleague from Western Arctic. One of the resolutions that was passed was with respect to the goods and services tax. The chiefs unanimously agreed that the tax is a direct infringement of the first nations' inherent treaty rights.

Will the minister admit the proposed tax is a violation of aboriginal rights and a breach of the federal duty to protect these rights? Further, how can the minister implement a tax that will directly contravene aboriginal tax immunity?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I do not accept the statement the hon. member has just made as it relates to the goods and services tax. I will tell him, as I told his colleague, that we are having discussions with members of the aboriginal communities and we are trying to find ways to meet the objectives and concerns they have. When we have a resolution of these discussions, I will have an announcement to make.

* * *

THE ENVIRONMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, my question is directed to the Acting Minister of the Environment.

Yesterday, the Queen's Bench of Saskatchewan brought down a very disappointing decision on the Rafferty-Alameda project. It has been three weeks since the panel resigned and now the court has refused an interim injunction and delayed its decision for another week.

This government has continually mishandled the issue and has allowed the province of Saskatchewan to defy court orders and the federal licence.

Why will this government not end this farce and use its power under section 13.1 of the Environment Act to suspend the licence?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, permit me to answer on behalf of the minister, who is in western Canada today meeting with western ministers.

To refresh my hon. friend's memory, there was an agreement in January that work at the dam site should proceed while a panel is being appointed to study the matter and examine mitigated measures that would have to be implemented to bring the structure within the conformity of safety since work had already begun.

In September, Saskatchewan attempted to amend that agreement to allow the completion of the dam while the panel makes its finding. Of course, the minister could not agree to that. Therefore, he suspended any federal payments to the project and took the matter to court. My hon. friend has indicated what the court has decided to do. There is a delay of a week, but certainly a court injunction is ordered by the federal government.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, my question is directed to the Prime Minister.

This government cannot hide behind a January agreement which Premier Grant Devine has declared null and void. I was in the courtroom in Saskatoon yesterday, and federal lawyers admitted that the minister made an agreement with the premier of Saskatchewan on Sep-

tember 5. This was after the minister stood in the House on October 12 and told me he did not make such an agreement. Certainly the judge's decision hinged on an agreement, otherwise he would have had no choice but to grant the injunction.

My question is directed to the Prime Minister. Is there an agreement, written or verbal, between the federal government and the Government of Saskatchewan that overrides the January agreement?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, there was not an agreement of September 5. The agreement and understanding under which the minister is acting and by which he has approached the court dates to the January agreement. There is no agreement that could provide the minister or the Saskatchewan government anything different than what was agreed to in January.

* * *

[*Translation*]

IMMIGRATION

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, my question is directed to the Minister of Employment and Immigration and concerns qyestions specific to immigration in Quebec, which since 1978 has been governed by the Couture-Cullen Agreement.

Considering that some time ago, Quebec submitted a draft proposal for adapting the 1978 agreement to the realities of the 90s, could the minister inform the House whether an agreement with Quebec is imminent, so that the province can implement immigration and integration policies and programs that are in line with Quebec's distinct identity?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I said in the House yesterday and Tuesday, it is unfortunate that there can be no constitutional agreements of the kind planned under the Meech Lake Accord. The government is still looking at the situation, but there are a number of new factors that must be considered, as the Prime Minister mentioned yesterday.

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, my question is for the Minister of Finance.

Yesterday, in committee, we learned from the Deputy Minister of Employment that the made-in-Canada recession we are in will increase the projected deficit on the UI account to the end of 1992 by an additional $1 billion, that is over and above the $3 billion that was forecast last April.

Given that his government has withdrawn from the UI program with the passage of Bill C-21, will the Minister of Finance tell this House how he plans to meet this additional shortfall caused by his policies?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, if my hon. friend will go back to Bill C-21, he will see that there is a stated rate there for a three-year period for the unemployment insurance premiums. That is the basis of our planning and, if there is any shortfall, then this will be made up by the government.

This is the basis on which we have proposed the different elements of Bill C-21.

[*Translation*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, my supplementary question is directed to the Minister of Employment and Immigration. She knows that, before Bill C-21, self-employed fishermen's benefits came from the government's general funds. At this time of crisis in the Atlantic fishery, can she assure this House that fishermen will not be abandoned? Can she promise us today that fishermen will not have to pay for the recession created by her government's policies and that their benefits will not be cut?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Madam Speaker, let me say that we have never abandoned the self-employed fishermen in Atlantic Canada.

Clearly we will be looking at the kind of emergency measures that are needed, as we have before. Indeed, the fishing regulations, as the member knows, are not

affected by Bill C–21 at all. The minister of fisheries and myself are working very closely on the kinds of measures that are needed in Atlantic Canada.

* * *

FISHERIES

Mrs. Coline Campbell (South West Nova): Madam Speaker, in the absence of the Minister for International Trade and the Minister of Fisheries and Oceans, my question is for the Prime Minister.

Last year the Prime Minister assured me and this House that he would discuss the lobster size restrictions being suggested in the United States with President Bush. Then we got the free trade panel saying that the United States could do this, that is impose a size on lobster for import into the United States.

At present we have the Minister for International Trade with an understanding, by some people in the U.S. industry and Canadian industry, saying that there has to be a further restriction. That is an industry proposal. It goes against all lobster fishermen's interests.

Will the Prime Minister ask the Minister for International Trade to reject this proposal, this understanding, which his own minister of fisheries has said is a trade restriction on the fisheries? Will he have his Minister for International Trade reject the proposal?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I think it has been very clear that the position of the government has been to defend, to the best of our ability, the interests of the lobster fishermen. That has been what the Minister for International Trade has done with great vigour over the period of time that he has been the Minister for International Trade.

My hon. friend raises some specifics of this particular matter. I will draw those to the attention of the Minister for International Trade, and he will get back to her as soon as possible.

• (1150)

Mrs. Coline Campbell (South West Nova): Madam Speaker, I thank the Minister of Finance for the informative answer that he will talk to the Minister for International Trade. Perhaps it is the same way that interest in other matters in this House has been brought to his attention and nothing done. I presume it should be done immediately.

My question for the Prime Minister concerns the lucrative lobster fishery in the Bay of Fundy which starts in the month of November. They are uncertain as to what size they can fish, what type of trap they can fish with. We are not talking about the U.S. import restrictions. We are talking about catching lobsters in Canada and selling them in Canada and to other countries aside from the United States, which we have done very well.

Will this government reject, without delay, the proposal that is before the minister of trade which he may bring before Carla Hills later but after the lobster fishery starts?

The lobster industry needs to know and not have the uncertainty that this government has created when its own minister of fisheries has said it would be a trade restriction on our own people that is not necessary.

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, my hon. friend speaks of a proposal that is before the Minister for International Trade.

I have all the minister's briefing notes. There is no such proposal. There may be a proposal in the United States, as there always is, to seek advantage for fishermen in the United States. We are not officially dealing with such a proposal and, if it comes forward, the Minister for International Trade and the minister of fisheries will do what they have always done, that is, protect with all their energy and in the best interests of Canada the interests of our fishermen.

* * *

JOHNSON MATTHEY

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, my question is for the Minister of Industry, Science and Technology.

On Monday of this week the Johnson Matthey company, a British firm controlled by the South African Anglo-American Corporation, announced that it was "restructuring" and, effective December 31, "relocating" its high-tech electronic materials development and manufacturing plant from Trail, B.C. to Spokane, Washington in the U.S.A., with the loss of some 95 highly

skilled Canadian jobs—space age jobs—within a small B.C. community.

This closure and job loss occur less than two years since January 1989, when the then minister and Investment Canada approved the sale of this former Cominco division to Johnson Matthey amidst widespread public assurances that Johnson Matthey had purchased a 125-year lease and had no intention of moving the plant.

What action has the minister taken to ensure that Johnson Matthey lives up to the commitments which it presumably made to Investment Canada and his government only 22 months ago? What specifically were those commitments, and what is he doing to keep these high-tech jobs in Canada?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Madam Speaker, I want to say first that we are of course always sensitive to a community like Trail, which will lost about 90 high-tech jobs. My friend is right, but he knows very well that the problem is that there is a decline in the demand for that kind of production in Trail, particularly for the military industry.

For that reason the company has decided to rationalize its operations. Obviously if there is any commitment which was made—

Some hon. members: Shame.

Mrs. Campbell (South West Nova): Define rationalization in Canada.

Mr. Bouchard (Roberval): Madam Speaker, perhaps members are not interested, but I believe the workers in Trail are, absolutely.

Some hon. members: Hear, hear.

Mr. Bouchard (Roberval): If any commitment was made by the department of industry with that company, the officials of the department will check everything that has been signed. Once again, if the commitments are not respected, the department will do what it did with a company by the name of Varity, that he totally agreed with. In other words we made a deal, and we will try to have the same kind of commitment.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, when it comes to the commitment, I did give the minister's office some notice of this question yesterday. I would hope that he would by now know if there were commitments or not.

There is also the matter of some $3 million in Canadian and U.S. research and development funds that went to that firm in recent years. Even if the government got no guarantee from Johnson Matthey in return for Investment Canada's approval, or value for the R and D funds, will the minister at least accept that the government has a moral obligation and a clear responsibility to these 95 Canadians who are losing their jobs to the U.S. and make a specific commitment to the communities of Trail and Warfield to help develop new alternative productive employment opportunities on the Johnson Matthey site.

Does he accept that responsibility? Has he done anything? Will he do anything? What and when?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Madam Speaker, I want to make a little correction first. Part of the production will be moving to Victoria, British Columbia.

An hon. member: Small.

Mr. Bouchard (Roberval): Yes, small, but it is there. It is better than nothing, sir.

Second, once again a lot of help could be provided, particularly by my colleague the Minister for Employment and Immigration. We are always open.

Mrs. McDougall: Right, absolutely.

Mr. Bouchard (Roberval): Every day we do different kinds of negotiations with those workers and the companies. Normally we find the answer.

My friend said that he gave me notice of the question yesterday. It is because I am serious that not interested in giving an answer which means nothing today.

* * *

[*Translation*]

EXTERNAL AFFAIRS

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I direct my question to the Minister of Finance.

[*English*]

Dr. Nguyen Dan Que, a medical doctor whose two brothers are in the gallery today from Montreal—

Some hon. members: Order, order.

Mr. Kilgour: His works have been sponsored by the World Health Organization. He has been imprisoned now for 10 years in Vietnam.

I wonder if the minister on behalf of her colleague would tell the House what if anything has been done or is being done to try to win the liberation of that distinguished doctor.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I am very pleased, on behalf of the Secretary of State for External Affairs, to respond to the question of the hon. member.

As he will know, the human rights situation in Vietnam has improved over the last few years with major amnesties in 1988 involving more than 5,000 political prisoners, but the government has not relaxed its efforts for improvement.

As the hon. member also knows, the Canadian Ambassador to Vietnam is resident in Bangkok. He raises specific issues and our general Canadian concerns with respect to human rights on each visit to Hanoi. These visits take place two to three times a year.

The most recent example of direct Canadian representation on human rights matters took place in September of this year, during a visit to Hanoi, by the Canadian Ambassador, and the case of Dr. Que was raised at that time.

The Vietnamese response quite predictably was that human rights matters were a question of internal affairs for Vietnam. At the next opportunity the ambassador will press the Vietnamese on the case of Dr. Que and, in particular, will seek to obtain information on his health.

Mr. Gray (Windsor West): Order.

Some hon. members: Order.

Ms. Campbell (Vancouver Centre): I understand that the hon. member and representatives from the Vietnamese community in Canada will be meeting with officials of the Department of External Affairs this afternoon. I know that they will have helpful suggestions to make, as well as an opportunity to be fully briefed on the situation.

RAFFERTY–ALAMEDA PROJECT

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the Prime Minister.

In court yesterday Justice Department lawyers confirmed that there was an "agreement to agree" between the Minister of the Environment and Premier Grant Devine on the Rafferty–Alameda project.

Now that the Acting Minister of the Environment has denied what the lawyers said in court yesterday, I ask the Prime Minister: Is there an agreement, formal or informal? What does it consist of?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, I can only reiterate what the minister has said on several occasions in the House in response to this question. There was no agreement in September that would have in any way modified the memorandum of understanding, the agreement that was arrived at in January.

The Government of Saskatchewan asked for a two–week delay in the court proceedings to put its case. A one–week delay was granted.

I know that my hon. friend would agree that we should allow the court to make its determination, and the minister will act accordingly.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, for over two weeks now we have heard the premier of Saskatchewan say there was a handshake deal. We have heard the Minister of the Environment deny it. We have heard a lawyer acting on behalf of our Justice Department and the Minister of the Environment say in court that there was a deal.

Canadians and this Parliament have a right to the answer on this question. Will the Prime Minister clear the air now and table all documents and records of whatever kind relating to discussions between the premier of Saskatchewan and the Minister of the Environment, or their officials, so that Canadians can learn the truth?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, with respect, I do not believe that the judge, as the hon. member says, made any statement yesterday that there was or was not an agreement. The judge just simply granted a stay of the proceedings for one week. The Minister of the Environment, who was to have met with Premier Devine and others on September 5, obviously would be the best authority to know. He said repeatedly inside and outside the House that there was

not an agreement. He did indicate what the province of Saskatchewan was seeking, that the dam should proceed while the panel proceeds with its work. But that was not agreed to.

* * *

• (1200)

NORTHERN TAX BENEFITS

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Minister of Finance. A year ago tomorrow he received the report on the northern and isolated tax allowance. He has done nothing in that one year.

A number of communities have lost their northern tax benefit. It has been phased out over the last three years. As of January 1, 1991 thousands of communities will lose the northern tax benefit. When will the minister introduce a fair regime of taxation for all northern residents? When will he finally make a promise to assure these people that they are being treated fairly by the tax system in this country?

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I do not think it is accurate to say that I have done nothing. In fact, we have spent a fair amount of time consulting with various people who are affected and who do have a view on the particular proposals that were put out by the Brunelle task force. We have listened very carefully and are in the course of formulating our final thinking on this. I would hope to have a decision to announce soon.

* * *

[*Translation*]

POLYTECHNICAL SCHOOL VICTIMS

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my question is for the Minister of Industry, Science and Technology. Last December in Montreal, the killing of 14 female students shocked the whole country. The Canadian Association of University Teachers submitted to the government two proposals to establish scholarships in memory of these victims. The Minister of Science wrote back to assure the Association of his support and co-operation in finding the money to implement its proposals.

Madam Speaker, this letter was written in May and nothing has been done so far. I want to ask the Minister when he will establish these scholarships in memory of the 14 female students?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Madam Speaker, as the hon. member knows, we continue to work with a variety of organizations who have put forward some very creative and interesting proposals on scholarships for women in engineering, both at l'*École Polytechnique* and at other universities across the country. I have met with the Canadian Association of University Teachers to discuss these proposals, with my colleague the Minister of Science, and discussions are ongoing with NRC to ensure that we will have a proposal for scholarships which will be appropriate. I hope we will be able to come forward with announcements in the near future.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

REFERENDUM

Mr. Ken James (Sarnia—Lambton): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition which has been certified correct as to form and content by the clerk of petitions.

The signatories from my riding of Sarnia—Lambton and some outlying areas call upon the Parliament of Canada to hold referendums on major issues in Canada. By doing so, the undersigned feel their right to have a say in policy-making will be exercised and their voice on major issues will be heard.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by a number of residents from my riding of Glengarry—Prescott—Russell. Most of them live in the beautiful town of Hawkesbury I remember talking to you about, Madam Speaker.

These people are opposed, and understandably so, to the GST that the Conservative government wants to impose, and I support them wholeheartedly.

[*English*]

NORTHERN TAX ALLOWANCES

Mr. Rod Murphy (Churchill): Madam Speaker, to follow up the question I asked in Question Period today, I have a petition to present signed by residents of northern Canada with regard to the need for a real tax benefit to recognize the high cost of living and working in areas described as northern or isolated.

Whereas the report of the task force on tax benefits for northern and isolated areas released one year ago fails to address these realities, the undersigned call upon Parliament to reject the recommendations of the report and to develop a fair and equitable tax benefit program which recognizes the financial needs of the people of northern and isolated areas.

This petition is signed by approximately 600 people, many from The Pas, Manitoba but also from the communities of Wanless, Snow Lake, Thompson and Sherridon, and in addition the communities of Swan River and Birch River and Birch River in the Dauphin—Swan River constituency.

Madam Speaker, as you and other members are aware, a number of communities in northern Alberta, northern Quebec and northern Ontario have signed similar petitions and want the government to act now.

GANNET ROCK LIGHTHOUSE

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, I am pleased to present a petition from the residents of Grand Manan Island protesting the destaffing of the Gannet Rock lighthouse, which has been with us since 1831.

This is just one of many petitions that I have presented on this very topic. I am very pleased to present this on behalf of the residents of Grand Manan. This petition is duly signed and recorded.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, in accordance with Standing Order 36, I wish to present a petition to this House. Your petitioners object to the GST on books and newspapers.

[*English*]

This GST on books, magazines and newspapers is a tax on learning and reading.

[*Translation*]

Your petitioners call upon the House to reject the tax on books and newspapers.

[*English*]

Mr. John Nunziata (York South—Weston): Madam Speaker, I am deeply honoured to present this petition not only because of the subject matter, but also because of the people who signed it.

The subject matter, of course, is the goods and services tax. These petitioners are calling on the Government of Canada, and in particular the Prime Minister who is in the House at the present time, to withdraw this regressive tax. They are concerned about the negative impact it will have on the petitioners.

I am honoured to present the petition because the people who have signed it come from places like Dunrobin, Woodlawn, Kanata, Embrun—which happens to be the home town of the mother of the hon. member for Glengarry—Prescott—Russell—and from a significant number of people from the community of Sarsfield in the—

Madam Deputy Speaker: We are now presenting petitions and not getting a history lesson, even though it is quite interesting.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I would not abuse the rights of members by indicating that this petition is from the Kingston, Nova Scotia area. I will not do that.

I have the honour and privilege to table a petition today signed by a number of Canadians who point out that the proposed goods and services tax of the Minister of Finance is an unfair form of taxation because of its lack of regard for taxpayers' ability to pay.

They go on and on pointing out how the government is now trying to tax reading, haircuts, diapers, coffins and home heating fuels.

The petitioners call upon Parliament to reject the current proposal for a goods and services tax, but to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

• (1210)

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, I would like to present a petition to this House from many Canadians who are disgusted with the way this government is trying to tax books and other services.

Hopefully, the Prime Minister will listen to our children and university students, and bring in legislation that does not tax the fundamental privileges of our children.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is indeed a privilege to rise under Standing Order 36 and once again carry forward the fight against the GST on behalf of residents of Canada.

I rise on behalf of residents of Ontario and the Barrie and Mississauga areas who ask this government to readdress what it has been looking at and look for a fairer tax than the GST.

The petitioners ask the Senate to stop now and not push this through, readdress where the tax system is going, and get rid of the goods and services tax.

LAND CLAIMS

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, it is my pleasure today, pursuant to Standing Order 36, to present two petitions.

Both petitions relate to the disappointment of the aboriginal people of Canada as it relates to their treatment by the federal government. These petitioners from Seine River and Manitou Rapids ask the government to consider moving on land claims and the rights of their people. Hopefully the federal authorities will move quickly so that we will not antagonize race relations in Canada, and continue to provoke dangerous and ignorant acts of racism.

GOODS AND SERVICES TAX

Mr. George Proud (Hillsborough): Madam Speaker, it is an honour for me this morning to rise pursuant to Standing Order 36, to present a petition from numerous Canadians asking that tax-free status of the printed word be retained and granted to all Canadians. It should apply to everyone who goes to school so they will not be taxed under the GST.

Mr. Lawrence MacAulay (Cardigan): Madam Speaker, it is an honour for me to present petitions from a number of Canadians who oppose the GST. In particular, they oppose the tax on books, newspapers and all types of learning material. They humbly call upon this Parliament to withdraw this tax.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

Mr. Boudria: Madam Speaker, the parliamentary secretary will know that I asked him privately, approximately one week ago, as to why a starred question that has been on the Order Paper in my name for at least six months has not yet been answered.

Perhaps the hon. member could give us a reply now or could inquire to look into it and report as soon as possible.

Mr. Cooper: Madam Speaker, maybe I could take this opportunity to indicate to the House that there have been 288 priority questions asked of the House, 245 or 85.1 per cent of which have been answered.

There were also 100 regular questions, 86 which have been answered. We are doing all in our power to accommodate the members and to get those answers as quickly as we can.

I do want to indicate that the question the hon. member is referring to is No. 295. I did receive an answer that I was not happy with. Because we always endeavour to make sure that this hon. member receives nothing but the best of answers from the government, I have asked it to be revised and will get it back to him as quickly as possible.

GOVERNMENT ORDERS

[*English*]

CROWN CORPORATIONS DISSOLUTION OR TRANSFER AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McDermid that Bill C-73, an act to provide for the dissolution or transfer of certain Crown corporations and to amend certain acts in consequence thereof.

Madam Deputy Speaker: Before I interrupted the hon. member he had had the floor for seven minutes, so there will be plenty of time.

Mr. Mills: Madam Speaker, this is a very important issue for all of us who are members of Parliament from Toronto. I am happy that the member for Davenport opened the debate today. I know that other members from Toronto are going to be speaking on this debate. I just want to give a short recap of a couple of the points that I made.

As I said before the debate was interrupted for Question Period, there are times when privatization is a good thing and it works. I was not in any way, shape or form casting aspersions on the joint ventures that had built Harbourfront. In fact, I am proud of Harbourfront. As I said earlier, Harbourfront is a multicultural mecca. There is always room for improvement when you are building a large place like that from absolutely nothing. There was a bunch of useless buildings and space which nobody in Toronto had any use for it 10 to 15 years ago. It is now of course a real people place and hundreds of thousands of people enjoy it every week.

The member for Don Valley West said earlier today that there could be a chance that the city of Toronto or the province of Ontario could end up owning Harbourfront. If that were the case, I want to make it perfectly clear that I would have absolutely no problem with that, but this bill does not say that. It is also a very likely possibility that this could go out and whoever in the private sector wants to put the cheque on the table that is determined by this cabinet could walk away with it.

As I said earlier, the taxpayers of Canada have spent about $250 million over many years to put this Harbourfront palace together. It is really not a palace, but it is a place that I am so proud of as a Toronto member that I would hate to think that it is going to go into the hands of someone who does not have the same public purpose. Where else in Canada, or anywhere in North America, have we seen a private sector interest create a public park with the cultural and recreational support facilities such as Harbourfront? I cannot think of anywhere.

There is another thing that concerns me about this bill. It is clause 42. It states:

> All obligations and liabilities of Harbourfront Corporation are deemed to be obligations and liabilities of Her Majesty in the right of Canada.

I know that there are some contingent liabilities on Harbourfront because of some approvals that were given to developers to advance and build even further density. With just cause, the city has stopped those plans from going forward. There is a contingent liability there for Harbourfront. Let us suppose that we did sell Harbourfront Corporation to a developer for $31 million. My goodness, if the contingent liability, which is the Crown's responsibility, were $30 million, that would mean the possibility exists that we would literally give Harbourfront away.

It is absolutely obscene to put a value of $31 million on Harbourfront. If the government is so convinced that this is a good thing for the people of Canada, if this is a good thing in terms of the public benefit, then let us put all the books and records, and all the deals and linkages on the table. Let us have a full analysis.

I have said this to you before, Madam Speaker. I believe that if the private sector will do the job that is necessary for the public service, let it do that. I support entrepreneurship and I support the private sector. But there are times when it is incumbent upon governments to make sure that they are in a control position to make sure that the public benefit, the public policy objective, is being served. I have seen, and many of us in the House of Commons have seen, time and time again, where the government has sold off things. It sells something that is losing money, and that is a pretty good reason if it can get somebody to come in and do it better. But it even sells things that are doing well.

Mr. Nunziata: Like what?

Mr. Mills: I am going to give a very specific example and I have mentioned it before. I am absolutely convinced that the privatization of Pearson International Airport is not the right thing to do. Not only that, but the number of people who are involved in this is almost like a monopoly. We cannot have that with a public institution, where it is not optional for the public to use it. We have to use it. I am concerned how this affects tourists coming to the country.

• (1220)

I said this earlier that the profits with Terminals 1 and 2 operating inefficiently were in excess of $70 million last year. Take that over the next 10 years and that is $1 billion that traditionally went into the taxpayers' coffers. You could buy two Terminal 3's for $1 billion, and we, the taxpayers, the Government of Canada, would own them.

What is going to happen when suddenly some of the smaller airports in the country need new services in terms of tarmac, et cetera? We are not going to be in a position to dictate because the public objective is totally different than the private objective. In privatization, it is the absolute right and responsibility to make sure that the private shareholders are served. But in public policy, its the people of Canada who are served.

It is incumbent upon all of us in the House who are accountable to make decisions as to how we govern costs, all the way from the cost of a hamburger in that airport, to a dinner, a rent-a-car, the fees for going to buses, hotels, and everything else. If the private sector controls all of that, then who makes the judgment as to what the public good is all about?

My concern about the disposition of Harbourfront is not because I am in any way, shape or form casting aspersions on the joint ventures of the many good things that have happened at Harbourfront. Some of those joint ventures are actually starting to make a dollar right now. If they can pay back the taxpayer for some of the investment, why would we give it away?

If the province and the city of Toronto so passed it, and this were to go to a private developer, it is not impossible that one developer in the country would control our largest international airport, Pearson, plus our Harbourfront. We cannot be serious about allowing that to happen in a city like this.

If the private sector is convinced that it can do a better job of managing Terminal 1, 2, and 3, let us give them a lucrative management contract. But let us not give away the asset. From year to year, we can judge the management of that. If it is so confident, we can build in incentives and build in bonuses, but we do not need to give away our Harbourfront in Toronto. We do not need to give it away to the private sector so that it have its own private cash boxes.

The government always argues: "Well, where are we going to get the money to build Terminal 3?" If private development can go and get $450 million from the various pension funds and pay a proper rate of interest and it can make a profit on, then so can the government.

Do not compare this to the Dome Stadium or the Canadian National Exhibition in Toronto where it is optional whether we use those facilities or not. We must use our airport. We must use our Harbourfront. In no way, shape or form, will I ever support the government giving either of those two things away.

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, I want to take two minutes and express my sincere gratitude and thanks to my colleague for letting me, my constituents, and other people in Toronto know what exactly the government is planning to do. The government, since it came to power, has sold everything, one thing after another. Now, the government wants to give everything away.

My colleague, the hon. member for Broadview—Greenwood, mentioned the airport. I want to ask him a question. Will he share with me and the House what his views are and what he thinks the government is trying to do? Where is the government going, and what is next on the chopping block that the government wants to sell? Will he please let us know what the government has in mind to do with the International Airport in Toronto? The government certainly is not doing it.

Mr. Mills: Madam Speaker, I thank the hon. member for the question. I really could not venture a guess as to what the government is going to try to privatize next.

I see the Minister of State for Housing over there and I know how committed and sincere he is about affordable shelter in the country. I would not be surprised if the government let him try to get some zoning on the front lawn of Parliament Hill and tried to privatize the Hill.

Think of some of the assets that the government is giving away.

But I want to address my colleague seriously. The central issue in public life today and the one on which we are all going to campaign on in the next election is the issue of trust. We are all hated in this place and all distrusted. Government actions that increase trust are going to be rewarded accordingly, and government actions that decrease trust are really going to hurt.

Privatization in certain instances can be a good thing. But I believe, when we are talking about an airport, a national institution, or a Harbourfront, that we should have a full look at all the books and records, the investment that was made, the liabilities, the contingent liabilities, in fact the whole process. The government is so paranoid that it cannot get productivity and wealth-creation going in the country that it has to sell off assets that people have built up over the years to be great tributes to the country. If this is the only creativity the government has to sell off, then at least let us make sure that the taxpayer is being properly served.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I was astounded to learn this morning that this bill not only will privatize the facilities in Toronto which have just been mentioned, but also will privatize Canada Harbour Place Corporation in Vancouver. I doubt very much that anyone in Vancouver knows that that is what the government has in mind.

I think you will probably recall, Madam Speaker, that Canada Harbour Place is the symbol for Canada on the Pacific Ocean. It is the place that we see in all the brochures about western Canada, and particularly about Vancouver and B.C., with the big sails. For visitors who come in by ship to the west coast of Canada, and it is what means Canada to people on the west coast. It is the place where cruise ships come in. It is the place where we hold national events such as Canada Day, where groups representing all ethnocultural communities put on many activities, and where we come to celebrate Canada. It is absolutely essential, in my view, that we have these kinds of symbols, especially in our remote regions, particularly in British Columbia. Heaven knows that the British Columbian government will give absolutely no acknowledgement of Canada and the federal government except in a very negative sense and is only too willing to claim credit for anything that is sponsored by other levels of government. I think it is very important that we take another look at this.

• (1230)

It is bad enough that we have privatization and deregulation that have been undermining Crown corporations of many descriptions in Canada. We of course have consistently opposed the selling off of Air Canada, and now Petro-Canada.

I must just interject to remind people and particularly to remind the Secretary of State for External Affairs that the Petro-Canada issue was one of the things that resulted in the downfall of his government in 1979.

This, I understand, is a statement, not a question, Madam Speaker. Is that correct?

Madam Deputy Speaker: No. We are in the question and comments period.

Ms. Mitchell: Perhaps I will just finish it up as a statement. I do want to say that the Canada Harbour Place Corporation which is, as I said, the symbol of Canada on the Pacific coast, must be retained as a Canadian symbol and, therefore, a Canadian government facility. It is particularly important too if we look at the history of the other Expo lands that were sold off by the provincial government. Billions of dollars were lost as a result of the under-pricing of that and the whole plan to sell off some of the lands that once had been federal property.

I certainly feel very strongly that we must vote against this bill.

Mr. John Nunziata (York South—Weston): Madam Speaker, yesterday the *Toronto Star* in an editorial stated: "Dennis Mills is no ordinary MP". The member of Parliament for Broadview—Greenwood has just shown again why he is not an ordinary MP.

Madam Deputy Speaker: I am sure that the hon. member, after more than six years in the House of Commons knows that when he is referring to any of his colleagues in the House, he should be referring to him or her by the name of the riding. After six and a half years I think the hon. member knows that. I would appreciate the hon. member sometimes following the rules.

Mr. Nunziata: I take it that you have just made that comment tongue in cheek, Madam Speaker, but you should know, given your immense experience, that when

you quote from a document, you can quote verbatim. I was quoting from the editorial from the *Toronto Star*.

Madam Deputy Speaker: I am sure the hon. member for Broadview—Greenwood would want a question, but to answer the hon. member, no, even when quoting a document it is not proper in this place to refer to a member by his or her name.

Mr. Nunziata: The *Toronto Star* said that the member for Broadview—Greenwood is no ordinary MP. The reason why he is no ordinary MP, Madam Speaker, is because of the passion and the commitment he has to the issues that affect ordinary Canadians. Here we are on a Friday afternoon talking about an issue that may not be of concern to Canadians from coast to coast generally speaking, but it is of extreme importance to the people of metropolitan Toronto, hundreds of thousands of whom visit Harbourfront during the summer, almost on a daily basis.

The member for Broadview—Greenwood ought to be commended for his commitment to the preservation of certain wonderful things around Harbourfront. He said, and he asked the question rhetorically, where do you see the private sector creating a public park. That is an extremely important question.

This bill allows for the sale of public land on the waterfront in Toronto to private corporations. Does the member believe, as the government seems to believe, that the private sector, i.e. developers in metropolitan Toronto, will purchase public land there, land that belongs to the public, Canadians, and turn that land into a public park? Or does he believe, as we on this side believe, that the private sector wants to purchase that land, not to create parks and places for people to go, but to create luxury condominiums for the wealthy in metropolitan Toronto?

Mr. Mills: Madam Speaker, if the private sector was only going to take over the Harbourfront in its current condition and no further opportunity for generating income or cash were not there, why would it do it? Why would it do it?

The obvious point is that it is going to come in and figure out ways in which further sources of revenue can be developed. I do not have any problem with that, but for years we have been doing it as partners. Why can we not continue to do it as partners and still that way the people of Canada can own it?

I just want to say one final thing, Madam Speaker, to my colleague from York South Weston. This Harbourfront is not just for the people of Toronto. People come to Toronto from coast to coast. They come to Toronto, the greatest multicultural city in the world. They come and Harbourfront is—

Mr. Boudria: From Hawkesbury.

Mr. Mills: They come from everywhere. It is a multicultural mecca. Is a tourism mecca. Very rarely does anybody come to Toronto and not go to Harbourfront, and for us to give it away—

Madam Deputy Speaker: I must interrupt the hon. member. The time for questions and comments is now over. Resuming debate.

Mr. John Nunziata (York South—Weston): Madam Speaker, I appreciate the opportunity to speak to this horrible piece of legislation. Before I begin to discuss the merits of Bill C-73, again I would like to commend and compliment my friend and colleague from Broadview—Greenwood for his excellent speech that he gave this afternoon, for his continuing concern for the quality of life of people in metropolitan Toronto.

Madam Speaker, here we are on a Friday afternoon in Ottawa talking about something that will have a very direct and negative impact on people in various communities, and I take exception to the strategy employed by the Government of Canada with respect to this piece of legislation.

As you know, Madam Speaker, this legislation was introduced on May 31 of this year. There was no debate in the House at first reading. It was brought back for second reading on Friday, September 28—another Friday. The government, again, is trying to slip through a piece of legislation that it knows is highly unpopular. Here we are again on another Friday afternoon dealing with this bill.

I can tell you, Madam Speaker, whereas some people might have fallen asleep at the switch, the Liberal members in this House have not. In particular, the members from Metropolitan Toronto have not fallen asleep. We know the negative impact of Bill C-73 and we will fight this bill, tooth and nail, here in the House, and at committee, to ensure that Harbourfront in particular is taken care of, that the Government of Canada, or the government of the province of Ontario, or the municipal

governments in metropolitan Toronto have control over the assets of Harbourfront and that Harbourfront is not sold to the private sector.

Madam Speaker, as you know, Bill C-73 is a bill that privatizes six Crown corporations which I will list: Canada Harbour Place in Vancouver, B.C., Canada Museums Construction Corporation, the Canadian Livestock Feed Board, the Canadian Patents and Developments Limited, Harbourfront Corporation in the city of Toronto, and Mingan Associates Limited.

• (1240)

This is part and parcel of this government's privatization-crazy mentality. Since the Conservative Party came to office six years ago, it set out in a very systemic and methodical fashion to sell out Canada.

I think it is important at the outset to put this whole matter into perspective. Since 1984, the government has privatized in whole or in part 18 Crown corporations. If we, for a moment, review the track record of this particular government in its attempt to dismantle Canada and in its attempt to sell out Canada, we will see that in fact it is succeeding, given its majority and strategy.

It is slowly but surely succeeding in destroying our country. It is not overkill as far as rhetoric is concerned, because we know that in 1985 one of the first moves of the Conservative government was to eliminate the Foreign Investment Review Agency that gave the Parliament of Canada the legal tools necessary in order to ensure that foreign investment would be to the benefit of Canadians and that there would be a significant benefit to Canada as a result of foreign investment.

Since 1985, it has put up the "for sale" sign. Not only have foreign corporations and foreign capital come to Canada to purchase Canada, of course the government also endorsed and brought in free trade with the United States.

We know now, given the track record of the free trade agreement, that it certainly is not in the best interests of Canada.

What else has it privatized? What other things has this government done to destroy the Canadian dream that we have all cherished and loved over the years? We know that it has attacked the Canadian Broadcasting Corporation by severely slashing the budget of the public broadcaster which has as its main preoccupation the promotion of national unity in Canada.

It is in the process of privatizing Air Canada, the symbol of Canada world-wide. Whenever Canadians travel abroad and see Air Canada or an Air Canada plane, they cannot help but feel proud that there is a piece of Canada. No longer will it be a piece of Canada because of this government's desire to privatize.

Now this government has decided to privatize Petro-Canada, a Crown corporation and oil company in Canada. I believe that Petro-Canada is something that Canadians support in significant numbers.

We know that it has privatized the unemployment insurance program in Canada. It has dismantled VIA Rail. With respect to the airport in Toronto—my friend from Broadview—Greenwood spoke about the situation there—we know that the Government of Canada privatized the construction of Terminal 3. The final chapter has yet to be written with respect to that particular decision of the Government of Canada.

Here we had Pearson International Airport run by the Government of Canada and netting the taxpayers of Canada over $70 million a year, and it decided for whatever reason—presumably one of the reasons was to help its rich developers and business people on Bay Street—to hand over the operation of Terminal 3. Now we know that the government is handing over the operation of Terminals 1 and 2 to the private sector.

The private sector is there for one reason and one reason only; that is, to make a lot of money. As Canadians become aware of what the government is doing to the international airport at Toronto, they are becoming increasingly concerned about the situation there.

The private sector is not there to ensure that Canadians, foreigners and others are able to go to the airport, get onto an airplane and leave on time. The private sector is there to make money for itself, not to help in terms of transportation. It is there to create a shopping centre.

When Terminal 3 opens in several months time, Canadians and Torontonians will see that what was created there is not a structure that will assist in terms of the problems at Pearson International Airport, but it will

simply be a huge shopping centre. The goal of the people who will operate Terminal 3 will not be to ensure a transportation system that works efficiently but to ensure that the people stay on the ground for as long as possible in order to spend as much money as possible at the shopping centre that is being built there.

Now we have Bill C–73 that furthers the privatization craziness of the Conservative government. I wish to restrict the remainder of my comments and the remainder of my time to Harbourfront Corporation, which is one of the six Crown corporations that will be privatized as a result of Bill C–73. I would like to put the government on notice today that the Liberal members of Parliament from metropolitan Toronto and other Liberal members of Parliament in the opposition will take a very keen interest and will attack in a very vigorous fashion this piece of legislation because of what it does to Harbourfront.

I work from the premise as a former municipal politician in the city of York in metropolitan Toronto. I see the Minister of State for Housing, a former mayor in the city of East York, is present. We often used to refer to the city of East York in a fond way. We used to call it the city of least York. However, the minister is here and he is the Minister of of State for Housing. Prior to his appointment to cabinet, he was an outspoken critic of issues affecting Torontonians. I know that he is sitting here this afternoon, very concerned about what this government is doing with respect to Harbourfront. I hope that he has spoken out at cabinet against this particular piece of legislation. He will have an opportunity to speak later, and hopefully he will speak for the public record, but I know he agrees that the waterfront in metropolitan Toronto should be a place for people and for parks.

What we have seen over the last number of years, because of the lack of sufficient controls, is the development industry moving into Harbourfront in Toronto and throwing up hotels and luxury condominiums left and right, not for the benefit of Torontonians generally or Canadians generally, but for the benefit of a small group of wealthy people who want to have a condominium on the lake.

I say shame. The lake does not belong to the rich in metropolitan Toronto. The lake belongs to each and every one of us who call Toronto home and to all people who visit Toronto. Toronto is an international city, a city that prides itself in the international community with respect to the amenities it offers to people. We in the metropolitan Toronto caucus of the Liberal Party believe that Harbourfront should be for people.

This particular piece of legislation allows for the privatization of Harbourfront and all the assets of Harbourfront Corporation. Clause 40 (1) of the bill states:

> The Minister of Public Works is hereby authorized to procure, on behalf of Her Majesty in right of Canada, the dissolution of Harbourfront Corporation.

Subclause (2) states:

> The Minister of Public Works may do all things and perform all acts necessary for or incidental to closing out the affairs of Harbourfront Corporation.

If this bill passes, a big huge for sale sign will be stuck in the sand on the beaches at Harbourfront. The developers like leeches will be swarming to the minister who wants to privatize, making offers not to create a park at Harbourfront, not to create and enhance upon a jewel, as the member referred to it, but to build concrete, to build buildings, to build luxury hotels, to build luxury condominiums. That is wrong because once it is gone, it is gone.

• (1250)

We have certain buildings there, two in particular, the Huang Danczkay condominiums. They are a disgrace to Harbourfront. Those buildings and others are a disgrace to the waterfront. They ought not to have ever been allowed to proceed. Because of the lack of proper controls, we see a situation now where we have a number of very ugly buildings that block the harbourfront in metropolitan Toronto.

When the member for Don Valley West spoke earlier, he said that this bill allows for Harbourfront Corporation to be locally controlled. That is not what it says in this bill. That is not what it says anywhere in this legislation.

This legislation would allow for the sale of Harbourfront Corporation to the highest bidder, to anybody the Minister of Public Works wants to sell to. Once this bill is passed by this Parliament, this Parliament forever and a

day will not be able to deal in a direct way with Harbourfront in metropolitan Toronto.

If the member were sincere in what he was saying—and I believe he was—then I am sure that he will support an amendment to this legislation. The Liberal Party intends to move an amendment to ensure that if the Government of Canada no longer wishes to participate and to exercise some degree of control over Harbourfront in metropolitan Toronto, we should hand it over to other government authorities, either to the provincial Government in Ontario, the city of Toronto, to the municipality of metropolitan Toronto, or to a combination of any of the government agencies in metro.

We will not support the sale of the assets of Harbourfront Corporation to the private sector, because we know that the purpose of a sale to the private sector will be to make a lot of money for a very small group of people who will not be here in 50 or 100 years' time. But the waterfront will be here, and we have to ensure that the waterfront in metropolitan Toronto remains a people place. It is a beautiful place for people to gather, especially in the summer months and also in the winter months. We have to ensure that it continues to be a people place, notwithstanding the imperfections that now exist because of the lack of control on the part of different government agencies.

As the member for Broadview—Greenwood said, it is a jewel. It would be a travesty for the remainder of the lands owned by the federal government to be developed in the form of luxury condominiums.

In closing, let me say that we believe strongly that there should continue to be public control over Harbourfront Corporation. We believe that there should be a federal government role in the development of the waterfront because it is a harbour. The government has had for many years a direct role to play with respect to the Toronto harbour.

We look forward to dealing with this bill in a vigorous fashion at committee. I hope this government will come to its senses. It is trying to hoodwink Canadians into believing that the privatization of Harbourfront Corporation is in the best interests of Canadians generally. We do not believe it is. We believe that there ought to have been more consultation with the people of Toronto. There was not a sufficient amount of consultation.

I know the Minister of State for Housing, until his appointment to cabinet was always keen on public participation in development matters. I hope that he will speak to his friend, the Prime Minister, and ask him to ensure that public hearings take place in Toronto before this government forces this bill through this Parliament.

The public in metropolitan Toronto and the municipal politicians in metro have a right to participate and to be consulted before the assets of Harbourfront Corporation are sold off by this government.

The government has indicated that the book value of the assets there is $31 million. Well, that is a real joke. If the Government of Canada is going to be selling the assets anywhere near book value, then the Canadian public will be terribly ripped off as a result, because the fair market value of Harbourfront is at least 10 times, if not 50 times, that particular amount. The hon. member knows and the Conservative government knows that no amount of money will ever be able to buy back our waterfront in metropolitan Toronto.

The Harbourfront Corporation has as assets not only land but leases and property rights. The government says that this is a housekeeping bill. We do not accept the categorization of this bill as housekeeping. It is a major piece of legislation. Even though the government indicated in its last budget, the budget of the Minister of Finance last February, that it was moving to privatize certain corporations, in that budget speech nowhere did it say that it would be privatizing Harbourfront in metropolitan Toronto.

In closing, I urge all members of the House, not only members from metropolitan Toronto , to take a very keen interest in the progress of this legislation because we will, I can assure them.

[*Translation*]

Mr. Marc Ferland (Portneuf): Madam Speaker, I was amazed when I heard he hon. member for Yord South–Weston object to the transfer of development to local authorities and especially control over certain lands. It seems to me that this goes against a recognized principle that says that people living in a community should have the power to make their own decisions. What this bill

does is ensure that the people of Toronto will decide, and not the federal government, for instance.

The hon. member also said repeatedly that it was a bad thing to privatize Crown corporations. I get the impression he is struggling against a trend that is gaining ground internationally. If we take a look at what is happening in socialist countries, we see they are trying to privatize all State-run corporations to make them profitable, efficient and competitive. What the hon. member is doing now, and it is typical of this party's thinking, is trying to turn the clock back. Instead of taking a look at what is happening throughout the world, and realizing that major socialist countries— In fact people who said that only the State could develop a country now realize they were wrong, and today, they are coming to Canada for help in privatizing their enterprises because they are not profitable, they are a threat to the environment, they ignore local authorities, and so forth.

I wish the hon. member would explain why he is so set on turning the clock back, while all other countries on this planet are trying to go in exactly the same direction we want to take this country.

[*English*]

Mr. Nunziata: Madam Speaker, I am afraid that the hon. member has completely missed the point. He says that the purpose of this bill is, as the hon. member for Don Valley West said, to hand over control to local people. We have no objection to handing over control to municipal authorities in metropolitan Toronto or the provincial government in metropolitan Toronto. That would be local control; the people of metropolitan Toronto would continue to exercise some degree of control. That is not what the bill says. The bill says that the Minister of Public works has *carte blanche*. He can do as he pleases with Harbourfront. He could, and no doubt he will, given the bent of this particular government, sell the assets of Harbourfront to developers in order to develop Harbourfront. If the member is honest about what he is saying, if the government is honest about its stated intentions, why does it not say so in the bill? It is not going to fool us on this one.

• (1300)

It was able through the privatization of Terminal 3 to hand over millions and millions of dollars to the private sector that should belong to the people of Canada. That was because this Parliament was not consulted. This Parliament had no say in it. We do have a say in the privatization of Harbourfront Corporation. We will say no on this side of the House to the sale of the assets of Harbourfront to the private sector.

We will co-operate with the government, if its intention is to hand over the assets of Harbourfront to the local government authorities but that is not what the bill says. Given this government's track record, nobody believes the government. It has zero credibility when it comes to its undertakings and promises to the people of Canada. It has consistently over the last six years lied and hoodwinked the people of Canada.

Hon. Alan Redway (Minister of State (Housing)): Madam Speaker, the hon. member is an excellent member at throwing smoke screens and clouds of dust on the trail. He is well aware that this bill is set against a long series of events relating to Harbourfront dating back many years, to the time that Harbourfront was established in the first place by the former Liberal government. It was established with the intention of creating a parkland and also creating some arts, recreation and entertainment there.

In order to pay for all those good public things, the arts, recreation and entertainment, the former Liberal government set in place a mechanism and a policy for developing lands at Harbourfront in order to generate dollars to pay for the actual arts and recreation activities. The mechanism which created all of the developments at Harbourfront, all of the horrible things that the hon. member has been referring to, relating to the building of huge high-rise apartments and condominiums, the huge profits that private sector developers have apparently, according to the hon. member, made out of this, all of that was put in place by the former Liberal government. As a result, a great hue and cry went up from the people of Toronto about blocking off the waterfront with all these huge buildings and not allowing access to the waterfront. The hon. member knows that. He also knows that the Toronto city council and their zoning rules and regulations are overseen by the provincial government, who have their own controls in planning. They are the regulatory bodies for all of that development.

Because of the concerns raised by people in the city of Toronto, this government put a freeze on all other development and it set in place a mechanism of investigating what was going on. Mr. Crombie, the former

member for Rosedale, a former minister in this government and the former mayor of the city of Toronto was appointed as a royal commissioner to look at the whole situation. Subsequently, the Ontario Liberal government of the day appointed Mr. Duncan Allen, a provincial bureaucrat, to also take a look at it. Mr. Allen came up with a very detailed plan of what should happen to Harbourfront and the hon. member knows that.

This government has said to the provincial government, at that time a Liberal provincial government, "We think there is some merit in this plan. However, we think there are some problems with it. We are going to appoint our own negotiator to see if we can work out some of the details". That was Mr. Darcy McKeough, who in fact is currently trying to work out those final details.

This bill, as the hon. member is well aware, is just part of the process to give authority to wrap up the existing Harbourfront in order to create a new Harbourfront with the pipeline properties, those development properties taken away from the waterfront and also to make sure that there still will be some public arts and recreation facilities there that will be funded properly and looked after in perpetuity.

Mr. Nunziata: Madam Speaker, I really would love to believe what the minister is saying, but that is not what it says in the bill. Obviously he has not read the bill because it does not bear out what the minister is saying.

An hon. member: You do not know what is going on down there.

Mr. Nunziata: I know what is going on. I know the credibility of this government and it is at an all-time low.

Why then, if what the minister is saying is true, do we not just delete clauses 40 and 41 and the other clauses dealing with Harbourfront. Let's put it on the backburner. Let's wait until all the negotiations are complete. Let's wait until the government of Ontario and the other local governments in metropolitan Toronto have spoken.

Let's wait for a tentative deal to be signed and then come back to Parliament, and we will pass a piece of legislation so that there is local control over Harbourfront. But do not come to Parliament asking for a blank cheque to sell off the assets of Harbourfront because we know the track record of this government. It wants to sell it to its rich friends on Bay Street, not to the city of Toronto, not to metropolitan Toronto, and not to the province of Ontario.

[*Translation*]

Madam Deputy Speaker: The period for questions and comments has now expired. Resuming debate.

[*English*]

Resuming debate. The hon. member for Scarborough—Agincourt. I do apologize to the member, but I had to look to see if there was someone else rising from the other side of the House.

Mr. Jim Karygiannis (Scarborough—Agincourt): Madam Speaker, it gives me great pleasure to rise in this House to talk about something that is going to happen to my home town of Toronto.

In the past six years, we have seen the Conservative government leading its friends to the trough. I want to take a couple of minutes and talk about that trough. Just a couple of minutes ago the minister of housing stood up and gave us this great speech. Well, I disagree with the minister of housing. Although we happen to be good friends, and although, on occasion, we have gone to the same events, politically we disagree.

In 1978 when I graduated from the University of Toronto I went to work for CN. I came to this House in 1988, Madam Speaker. That was 10 years ago.

At that time CN was the jewel of Canadian transportation. Only recently, in 1985–86, when this government took power, did it put CN Express on the chopping block. I was a young industrial engineer on loan to CN Express in 1978. It was losing $12 million per year. There was room and we were working to turn it around. We almost had it turned around. That corporation was going to be making money. What happened after this government took power? They sold CN Express to their rich friends for a market value of $29 million.

Mr. Mills: Shame.

Mr. Karygiannis: My colleague for Broadview—Greenwood says shame. I want to let this House and my colleague in on an even bigger secret. After it was sold, the buyers who were buddies of our government across the way went to the bank and said, "I've got a proposition for you". The bank said, "What is the proposition?".

"I've got this great big thing, this white elephant the government calls it, that is losing money, and I want to borrow money against it". The bank looked at it and said, "Gee, that is a very good deal. How much do you want?". He said, "Well, what do you think the market value is?". The bank said, "Close to about $200 million". Yet the government's rich friends were only on the books for $29 million. As we see right here in this legislation, Harbourfront is $31 million. Let me continue my story about CN Express because it is dear to my heart.

• (1310)

They got a loan from the bank for $50 million, the great big individuals who were running the company. This was in 1985, when fax machines were something that were looked upon as the future. They had fax machines and portable phones in Jaguars. They had this big boat and put it in at Concord. In the seventies government prided itself in the latest transportation needs going from place to place. A couple of months later this company, Route Canada, folded. There were 3,500 people laid off work. I called the minister—one can never get the minister on the phone, it is an impossibility. I spoke to his executive assistant and said, "Will you table today in this House the agreement of the sale of CN Express to Route Canada."

Time and time again we asked this government, "Will you table that agreement of sale?". This government kept saying, "Well, it is a Crown corporation."

The government is hiding because it knows if it is tabled today, we will see that there was an agreement that those employees were going to be protected for three years. Yet this government has no guts—absolutely no guts—to bring that agreement forth.

The story continues. Air Canada was put on the chopping block. It was a big thing and everybody was going to make money. What happens? We only found out a couple of days ago that there will be 2,900 people out of work.

Next, we come to VIA. What did the government do? It split VIA down the middle. The Minister of Transport said, "If you go ahead and start using VIA, it will not be chopped." The ridership increased and yet, what did he do? What his boss told him. He chopped VIA and the government halved it. Again, there were hundreds of people out of work.

The government wants to think of this bill as housekeeping. These six companies, Canada Harbour Place, Canada Museums Construction Corporation, Canadian Livestock Feed Board, Canadian Patents and Development Limited, Harbourfront Corporation and Mingan Associates Limited are housekeeping.

We have something else that this government wants to put on the chopping block. It is Petro–Canada. When the government puts Petro–Canada on the chopping block, will it have the guts to let the Canadian people open the books and find out exactly what it is selling. This government never did that. We find time after time that friends of this government and in particular, close friends, make money. Why? Because they happen to have the right connections at the right place.

We now come to Harbourfront. The book value is $31 million. I am wondering if this was put to the test, if there was a real evaluation of that property done, if there was a real estate appraisal done, how much would it be worth? Is this government willing to go to a real estate agent and say, "We want to have an appraisal of this property." Is this government willing? Absolutely not. I hear the minister of housing across the way. I am wondering if that minister of housing will ask his boss, the Prime Minister, to have this property appraised. Absolutely not. The minister knows that when that is done, it will be worth more than $31 million.

Years ago, one used to go to Toronto central island. When looking across, one could see the skyline of Toronto. What does one see now? A wall of condominiums. There is a small property there which is open. That small property is the Harbourfront. I am wondering what really is behind this sale of the Harbourfront Corporation. Why does the government want to sell it?

I see the Minister of State of Housing across the way is very interested in listening to my comments. I remember in 1988, during the election, the then housing minister said: "If you cannot afford Toronto, you can move out."

Right now the immigration minister is announcing figures for immigration and employment for immigrants coming into Canada that would give Toronto close to 100,000 new immigrants per year. We have nowhere to

house them. I hope the minister is listening. He has a real problem in his hands.

Let us come back to the $31 million of Harbourfront. The question is, how much is it worth? Twice? Three times? Four times? Five times? I am not a real estate expert but, if I was to ask anybody in the House, he or she will more than likely tell me it is about 20 to 50 per cent understated the $31 million we have here.

There is going to be a sign up there that is going to say: "1-800-MULRONEY". It will be just like we got sold in 1988 with the free trade legislation, and just like right now when the government wants to entangle us with a trilateral agreement with Mexico. We have another one. It is not going to be as big. This sign is not going to be as big. This is going to be a smaller sign. People will not even have a chance to look at it.

Some backroom boys who are friends of the government will not even let this poor little sign be put on. They are going to get on the phone and dial: 1-800-M-U-L-R-O-N-E-Y, and it is going to ring at 24 Sussex. "Oh, my good friend, how are you today? Thirty-one million and you do not have it? You want to borrow against the bank? It's a deal." Just like CN express was a deal. Thirty-five hundred workers were put out of their jobs. In this particular deal, we might not have any workers who will be put out of a job, but it is the trough which is very important. It is very important that we are trying to hoodwink ordinary Canadians.

I do not doubt that the government is going to ram this legislation through this House, get it over to the Senate to get Royal Assent. It is going to run, because if it does not get it, it is going to go get another eight senators in order to make sure that it is done. A couple of years down the line we are going to see great big condominiums rise. The average price for a lakefront condominium is anywhere between $300,000 to $500,000.

I wonder: Is the government gutsy enough to have an appraisal done of this property? Is the government honest enough to come clean and say what its intentions are? Is the government able to stand up on its own two feet and say to Canadians: "We have misled you. We have taken you down the garden path. Everything that we said from one day to the next day is not the reality." Is the government going to stand up on its own two feet and say to Canadians: "Gee, we might have told you a little white lie in everything we have been telling you on a day-to-day basis."

Canadians are not blind and they are not stupid. We see what the latest polls are doing. We know what Canadians want. Canadians want no part of this government, and they will tell it clearly in 1992—

Mr. Barrett: Nor of the Liberals.

Mr. Karygiannis: My hon. friend from the NDP says: Nor of us. Let me assure him that in 1992, he is still going to be on this side of the House and with fewer members than right now. I am very confident of that. We come clean. We tell our people that it is not worth $31 million.

Madam Speaker, through you, I say to the Canadian people and to the government: Stop hoodwinking us. Tell us the honest truth. What is the market value of this particular property? Why do you want to sell it? Who is going to buy it? Who is going to profit? Why do you not just leave it alone?

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Madam Speaker, the only point on which my colleague and I agree is that Canadians are not stupid. Liberals have always conveyed a double message: at the same time as they promote liberalism, therefore individualism, they think that people are weak, stupid and in dire need of protection. All measures taken by the Liberals since war's end were aimed at protecting people against themselves. They would centralize, institutionalize and create self-feeding bureaucracies. Again I fail to understand. I see some of my colleagues opposite who hail from the private sector. Business circles have been complaining for decades that the government is overly interventionist.

The Liberals created the welfare state and advocated dependence. It does not work! Canadians have no more use for that, they are much more autonomous, they are a lot more initiative-minded than you think. As a government we believe that people are intelligent enough and need not be told what to do. We need to establish standards and devise means of action and policies to protect Canadian values, but it is up to the people to decide how to achieve that. There is no need to reduce. Time has come to switch from the welfare state to responsible government, and that is precisely what privatization is all about. That is what we are debating today—privatization. The concept of public ownership which you advocate is just a way of depersonalizing people and making them irresponsible. Canadians do not need to be sheltered. They need to regain control over

their own lives, and that is what we are doing. You take away their ability to fend for themselves and, in doing that, you deprive them of creativity. By privatizing we give more freedom to people, we emphasize that small is beautiful.

• (1320)

The job losses you are referring to were— We know that bureaucracies feed on themselves. I am not talking about bureaucrats but about bureaucracies. Employees are stripped of any responsibilities except filling out forms and doing paperwork.

Air Canada had become dependent on the government. Taxpayers, including those in my riding, were paying for its services which did not really benefit either the Canadian population or the flying public. Deregulation created jobs in my riding. Canadair, that was sold to Bombardier, has supported some of my constituents through these difficult economic times and a few of them even told me recently—I could give you names—that they have a problem hiring people. There is not enough qualified workers because the Liberal government, instead of investing in job training, decided to subsidize jobs and businesses rather than research and development.

Madam Speaker, I wonder how my colleague opposite, whom I hold in high esteem, can put up with this rubbish we hear coming from the other side. By supporting individualism, we encourage creativity which, in turn, brings in taxes enabling governments like ours to offer needed social services.

[*English*]

Mr. Karygiannis: Madam Speaker, in 1984, Brian Mulroney, our honourable Prime Minister, stood up and said: "Jobs, jobs, jobs." In 1990, we see eight jobs: "Senator, senator, senator, senator, senator, senator, senator, and senator". Some of them are questionable senators. Thank you.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to address a question, through you, to my colleague. By the way, I must say that we in Metro Toronto are not against entrepreneurship. We are not against the spirit of free enterprise. We really are not. We have had many joint ventures with the private sector over the last few years.

But the member for Bourassa, for whom I also have a lot of respect, talked about standards and talked about values. I think standards and values are important.

The Minister of State for Housing talked about an investigation that the government had into Harbourfront. I, for one member, may take a different point of view if the government would care to put the deals or the investigations on the table. I cite two examples: Harbourfront, the investigation as to what it found that it wants to get rid of it; and, more importantly, Terminal 3. We have a situation developing here where, technically, one corporation could monopolize our airport and our harbourfront.

Would my colleague from Scarborough—Agincourt be a little bit more receptive to taking a different approach to this if the government would put all these deals on the table so we could have a full and open analysis?

Mr. Karygiannis: Madam Speaker, I want to thank my colleague for the question. I will say this much. I have never stood in the path of progress and, as a small businessman, I know what the government wants to do to Canadian businessmen by implementing the GST. That is really going to kill us.

We talk about jobs, jobs, jobs.

Did you want me to sit down, Madam Speaker, or may I answer the question?

Madam Deputy Speaker: If you are asking me a question I will, of course, answer. I was signalling that the hon. member was maybe on the point of being totally out of relevancy, considering the question. That was my only suggestion to the hon. gentleman, so that I would not have to rise and remind him.

Mr. Karygiannis: Thank you, Madam Speaker, and I will attempt to answer the question of the hon. member for Broadview—Greenwood.

I would like to have open dealings and I would like for me and the Canadian public to see what is behind this agenda, what is the real value of the land. Let us put it on the table. Let us have a full investigation.

[*Translation*]

Mr. Marc Ferland (Portneuf): Madam Speaker, earlier today the member for Scarborough—Agincourt said that in 1984 the Prime Minister had promised a lot of jobs but that all he has managed to do is create eight new seats for senators.

Perhaps I might remind my colleague that if the Prime Minister was forced to resort to that provision of the Canadian Constitution it was because the Liberal senators of his own party did not show any respect for democracy in this country, and that these people in the Senate abused their powers not because they had been elected but indeed because they had been appointed by his favourite idol, Mr. Trudeau.

I think he should keep in mind how and why Prime Minister Brian Mulroney had to use section 26 of the Canadian Constitution in an attempt to restore a modicum of credibility in the illustrious institution we refer to as the other place.

[*English*]

Mr. Karygiannis: Madam Speaker, my colleague from across the way speaks about why the Prime Minister had to use section 26 of the BNA Act. We, in the House, believe that if the Prime Minister and the Minister of Finance listen to 85 per cent of the Canadian public, they will do the right and honourable thing. That is, they will scrap this GST, throw it out, go back to the drawing-board, and clearly understand that the people of Canada are against it. If we do that, then we will not need the eight new senators.

The Senate is the House of sober second thought and its members are clearly listening and reading the names of people across Canada who are objecting to this unfair and preposterous tax.

Mr. David Barrett (Esquimalt—Juan de Fuca): Madam Speaker, my contribution will not be noted for its length, but for its wisdom. I want to focus on one particular aspect of this bill that relates to my home province of British Columbia, and the city of my birth, Vancouver.

• (1330)

This bill gives the government the authority to dispose of Canada Place, that wonderful focus of downtown Vancouver that is still in public hands. This bill gives the government the right to dispose of Canada Place on such terms as approved by the governor in council.

Our experience with this kind of asset disposal in the province of British Columbia has been one of scandalous give-away. One need just look at what our provincial government did with B.C. Place as a consequence of the end of Expo 86, and the disposal of those properties for a pittance of their value to a private sector buyer. That was a provincial government.

An hon. member: Tory.

Mr. Barrett: Let us understand where the land came from in the first place. It was part of a Crown grant to the CPR and was held in trust by Marathon Realty. Marathon Realty, as an arm of the CPR, became the legal owner of that property as part of the price of keeping a national railway open for passenger service across this country.

The government got rid of that idea in a hurry, but it did not take back the property. It is a new kind of corporate give-away that allowed VIA Rail to take over the role in Canada, only to have the Tories kill that and steal the lands that were given to the private corporation, kept in their hands and sold off.

An hon. member: That's capitalism. Down with capitalism.

Mr. Barrett: I want to tell you it is a straight kind of deal that every Canadian citizen would like to share in. When these members talk about entrepreneurship, people would just like the opportunity to get in line for that kind of entrepreneurship. Nevertheless, CPR walked away with $250 million worth of timber property in exchange for the property it got for nothing from the Canadian taxpayers. It was then sold to the private sector, and after, we discovered in the handling of this deal, it was sold off for a pittance.

If the government intends to do the same with Canada Place through order-in-council, then I say shame on them. Do you have to be as bad as Social Credit? How low can you sink? How bad can this government get?

An hon. member: Just watch them. Don't hold your breath.

Mr. Barrett: Is there no standard for lowness?

An hon. member: None at all.

Mr. Barrett: Is there no boundary for stupidity?

Some hon. members: No.

Mr. Barrett: Is there no possibility of defining an absolute limitation of madness? The Social Credit government has tried its best to do it, and having failed to establish an absolute maximum definition of stupidity, this government is hell-bent to try to find that definition for itself.

Through this bill this government is attempting to say: "How can we give away this last Crown jewel that is in the hands of the public in downtown Vancouver?" Thank goodness it does not own Stanley Park. If it gets rid of this property, it will certainly try to ruin the view to Stanley Park.

The government says that this is probably housekeeping. Can you tell me of anyone in Canada who practises housekeeping by throwing out all their furniture, their television, their stereo, and everything else, then shoots their mother and father and then goes to court and pleads for sympathy because they are orphans? It is this government. It shoots itself in the foot, throws away our assets and then asks the Canadian people to vote for it because it is an orphan.

Only this level of incompetence could be accepted by either the Liberals or the Tories because the Liberals have brought to the House the pathway of developing this kind of stuff. What the Liberals did as amateurs, this group is trying to professionalize. When the Liberals gave stuff away, it was only because they were new at the game. These guys give stuff away because they deliberately sell it out.

I find it most interesting that the Liberals stand up after their history of giving away half the country, crying after giving away half the country. They are angry that the Tories are giving away the other half and they do not have the chance to do it.

As we go through this whole examination and we have this debate, this to me is a capsule of the history of Canada. These two parties do not fight to get at the trough. They fight to see who they can get to the trough for them. That is what it is all about.

Here in Canada Place we have a situation where there has been no analysis of the privatization plan.

Mr. Nunziata: That's from my briefing notes.

Mr. Barrett: That's right. When you are in opposition, you prepare good notes. When you are in government, you burn them.

Mr. Speaker, I told you I was going to be brief—

Mr. Nunziata: But not from my briefing notes.

Mr. Barrett: No, and the Canadian people are having their briefs stolen, more than their briefs, their shirts, their shoes, their briefs. Everything is going in this bill.

On a Friday afternoon when everybody is lulled into the belief that we are now headed into war in Iraq, where they are mobilizing the parliamentary green buses to take the MPs to the front line to fight for our minister of external affairs, they are busy giving away half of the assets that belong to the people of this country. If Saddam Hussein did this in Kuwait, they would be the first ones at the barricades, Mr. Speaker. You bet. They would defend the rights of the Kuwaitis and at the same time give away half of Canada's assets.

It is ludicrous, Mr. Speaker, to think it is anything more than perhaps a little bit of humour. If we would not have humour about this, we would burst into tears at the stupidity and cupidity of a government that stands here and says in explanation of giving away assets: "This is free enterprise".

Where is the process for bidding? What has been tabled in this House to show the true value of these assets? They claim Canada Place is worth $67 million. Do you guys want to buy Canada Place? Each chip in 10 grand, make a down payment, we will walk away with a killing. Sixty-seven million dollars. Why that is not even coffee money for some of the that who have already skimmed off British Columbia through Social Credit. It is an invitation for another give-away. Why does it do this?

An hon. member: Leverage buyout.

Mr. Barrett: Leverage buyout, my friend says. When you have a monopoly access, leverage buyout is the best way to go. This government—

Mr. Mills: You got it.

Mr. Barrett: Exactly, my friend, the member from Broadview—Greenwood, the single-minded person—I mean the single tax person—

Some hon. members: Hear, hear.

Mr. Barrett: —has said, Mr. Speaker, I've got it. You know how this is done. I will show you. Was it Ring Lardner, Jr., or was it Damon Runyon who wrote the story about Harry the Hat? He would go into a dice game, and the Prime Minister is wonderfully famous for using this analogy of dice games: "Roll the dice". Harry the Hat would go into a dice game. He was a big fellow, six foot two. Everybody else was smaller. He would put the dice in the hat, hold them up and shake them. Say: "All bets down", he would say: "Ya". Then he would look in the hat and say: "Seven. I won". Then he would pick up the dice and put them in again. He would roll them and say: "Eleven. I won".

One of the smart alecs in the dice game said: "I want to see the dice. I want to see the roll". You know what he said, Mr. Speaker? He said: "You're out of order". You have to be relevant to this game and there is no relevance in this game to seeing what the evaluation is, what the bids are, what the options are for anyone else to buy, or even a suggestion, as my good friend the member suggested, a lease. None of that stuff. Harry the Hat calls out the numbers and we all lose. This may be a simple analogy, but nothing could be more simple than this government. So the analogy fits. You are setting the rules over there. It will all be kept in the dark. The Canadian people do not see what the evaluations are. They are never going to see the process. All of a sudden a buyer is going to be announced.

• (1340)

In the case of British Columbia Place, the buyer was announced as Li Ka-shing. He announced that he had made a deal for $250 million. We discovered later that he really put up hardly anything and the provincial government was responsible to clean up the mess before he got the property. As a matter of fact, we are going to end up paying for him to buy the place from us. That is free enterprise. That is really sharp dealing. What guarantee is there that we do not have the same thing here?

Some of my Liberal colleagues are in pretty good shape when they are sitting there on this side. They have raised some valid points. The only question I have of them is, if it is so bad and you predict you are going to win and be the government, are you prepared to expropriate back, after fair compensation, in the name of the people any one of these rotten deals that this group, this dumb-bell government, gives off?

They are nodding their heads. They are prepared to expropriate. The only reason they are nodding their heads is they are down to 31. If they get up to 38, boy, it will change like this.

I have seen it all. I have heard it all.

Some hon. members: Oh, oh.

Mr. Barrett: Never have I been so popular with the Liberals and Conservatives as I am now because I give them a chance to repent. I give them a chance to save them from themselves before they continue their give-away of this country as exemplified by this bill.

All they are really fighting about is who gets to the line first to give away most. The Canadian people have had enough of this nonsense.

If the Liberals are prepared to expropriate back, after fair compensation, this bill, say so publicly. As far as this government goes, you have a moral and I think legal obligation to be up front. Do not play Harry the Hat, do not give this stuff away in a fixed game. If you are going to sell it, let us have open competition, open evaluations and even better, competition for long-term leases until a generation comes along that has a heck of a lot more sense than you have.

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, my colleague, the hon. membre for Esquimalt—Juan de Fuca, is still excited after his great performance. He told us a few moments ago that the government was throwing Canadians' clothes and refrigerators through the windows. This is very impressive but he forgets that the voters in his own province have elected him to a job 3,000 miles away to prevent him from squandering money in his own province.

I would like him, as a socialist, to tell me why every socialist country in the world is trying to implement a free enterprise system similar to the one we have in Canada. How can he explain that the most passionate defenders of international socialism have agreed to come to Canada to find out about our systems and their efficiency? Why is he still trying to convince Canadians that our government is heading in the wrong direction?

[*English*]

Mr. Barrett: Mr. Speaker, I want to thank the member for giving me this opportunity for a two-hour discourse on the stupidity of monopoly capitalism versus true competitive enterprise. That is the point really.

If you are going to make assets available, they should be made available in an open, competitive manner that is separate and distinct from the Crown and leaves no idea of interference from the Crown whatsoever. If you really intend to do this, don't do it by Order in Council, but establish a separate tribunal at arm's length from the government that is above board and is clearly open in terms of process, in terms of competitive bidding and, furthermore, examine leasing. Mindless capitalism does not mean the extension of some monopoly opportunity. If you are really going to have competition, then let it be true competition and set the stage so that everybody has an option to have a go.

My friend talks about the socialists. I have to compare it to their own performance, since he has asked. It was not my government that gave $800 million to the Canadian Commercial Bank to bail them out. I understood that under the member's kind of free enterprise people have the God-given right to go broke.

Why is it that you rush in with $800 million to bail out thousands of offshore depositors of a bank? Why is it that you assume that $800 million of Canadian taxpayers' money should be used to bail out offshore investors? Yes, a bailout.

If the government is going to give $2.7 billion to the oil companies in Hibernia, I do not believe in that kind of giveaway. What kind of free enterprise is that, $2.7 billion to Hibernia and $800 million to the Canadian Commercial Bank?

I have publicly advised the food banks to change their names to either Hibernia or the Canadian Commercial Bank. That is the way to get money from the government. You would not give five cents to a food bank, but you would give $800 million to bail out some of those investors whose deposits were well above what the insurance protected.

Why is it that the government uses these clichés and these homilies and this jingoism and this nonsense about free enterprise when at the same time it goes out of its way to take care of the rich and to hell with the poor? Is that social justice? Is that economic justice?

You show me another country in the world that has had a record of being so dumb as this country has been under right wing governments that have given away assets.

Mr. Harvey (Edmonton East): Argentina.

Mr. Barrett: Argentina is probably a good case, but at least it did it under military discipline. Here they cannot even decide who the general is overnight, for crying out loud. I find these pious platitudes coming from these members in the—

An hon. member: We don't have to take any lessons from you.

Mr. Barrett: You do not have to take any lessons from me? I am not even offering you any lessons. Let me disabuse the members of the Liberal Party that I am giving them any lessons at all. Nobody can teach them a damn thing, absolutely not. The Ontario people have taught them their lesson.

The Acting Speaker (Mr. Corbett): Is the hon. member rising on a point of order?

Mr. Nunziata: That sounds like a good idea, Mr. Speaker. This is an important debate.

The Acting Speaker (Mr. Corbett): The hon. member for York South—Weston on a point of order.

Mr. Nunziata: Mr. Speaker, I note that the hour is 1.48 and this debate will expire in 12 minutes' time. I hope the hon. member will give other hon. members the opportunity to rebut some of the nonsense that has been coming out of his mouth, over the last few minutes.

The Acting Speaker (Mr. Corbett): On a point of order, the hon. member for Erie.

Mr. Fretz: Mr. Speaker, I have been listening very closely to the speech which has been delivered by the hon. member. The one point that I want to raise is that his comments, Sir, should be addressed through the Chair.

Here we have a speaker who is an hon. member in this place. He should recognize the rules.

• (1350)

The Acting Speaker (Mr. Corbett): I am sure that the hon. member will take those words to heart.

Mr. Barrett: Mr. Speaker, if inadvertently I missed passing my remarks through you to my colleagues, I apologize.

Through you, Mr. Speaker, and to my colleagues through you, Sir, let me continue my answer to my friend. Mr. Speaker, you will be the first to recognize that these remarks, although addressed through you, are not a personal admonition to you or to the Chair. When I call the government "stupid", you are only the conveyer of the message and not the originator of the message. Let us keep that very clear.

To ensure that that point of order is strictly adhered to, I would hope that you, Mr. Speaker, in your fairness would understand that sometimes I get carried away because of my passion and anger at the stupidity of the previous government.

To answer the question, my colleague asked for an explanation of why I as a social democrat would be proposing fairness, justice, and openness in contracts when other administrations are not doing that.

Well, my dear friend, if you believe in Stalinism as I do not, you will agree to this kind of bill. I do not agree to a new form of Stalinism. This bill, through you, Mr. Speaker and only through you, Mr. Speaker, clearly through you, Mr. Speaker, and singularly through you, Mr. Speaker, is nothing more than just an extension of autocratic dictatorship allowing privilege to take place without true competitive enterprise being guaranteed every single step of the way.

We have seen this time and time again. I repeat my question so that you can understand, Mr. Speaker. If this government intends to be fair, why not consider seriously the suggestion by my Liberal colleague about, first of all, leasing? He was far more generous than I am prepared to be in terms of the incentives to lease. Nonetheless, I am prepared to accept those as well. Leasing at least gives a future government and future generations the opportunity to develop an alternative.

Second, if you do not go for leasing, Mr. Speaker, then indeed why not fair competition? What guarantee are we going to get under this legislation that there will be fair competition? My friends have been raising issues about other matters, Mr. Speaker, and through you, Mr. Speaker, that have not yet been answered by the government about other disposal problems.

The answers have not been forthcoming from the government. The government ministers have avoided answering daily questions on specific disposal of assets that are creating problems right across this country.

In particular, in British Columbia, Canada Place was a gift by all Canadian people to our province of British Columbia. It is deeply appreciated and much respected. We were thankful for the share that every Canadian taxpayer put into Canada Place. It would be a betrayal to every one of those taxpayers to have this gift sold off.

What kind of gift givers are you? Who is going to believe that this is fair? Not I, Mr. Speaker. Thank you, Mr. Speaker, for giving me this time. Thank you for sharing with me your control and gestures that my time is up. Mr. Speaker, I want to tell you regardless of what other members have said or felt, I have enjoyed this conversation with you immensely.

The Acting Speaker (Mr. Corbett): The time for questions and comments has expired.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I have been listening attentively to what the member has been saying. Unfortunately, time has expired. It is an important debate.

I would seek unanimous consent of the House to allow for further questioning of the member from British Columbia.

The Acting Speaker (Mr. Corbett): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Corbett): I do not hear unanimous consent.

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I would also like to take a moment to put a few remarks of my own on the record as it relates to this particular piece of legislation.

I would like to bring this piece of legislation to a more northern context. We in northern Ontario have said on many occasions that our tax dollars are not spent the way we would like them to be spent. When I make that statement, everyone looks and asks: "What do you mean by that".

The answer to that question is simply the following. We do not have fine facilities in northwestern Ontario like the Dome into which tax dollars have been put. We do not have these fine airports like Pearson where millions and probably billions by now of tax dollars of the

public have been put into the system. We do not have the waterfronts, like the Toronto waterfront we are talking about today, in northwestern Ontario or in northern Canada for that matter.

I would like members to consider that when these particular situations take place, as they relate to public dollars being put into facilities that may or may not be considered in the realm of private enterprise, we as northerners look at these particular facilities for the public good.

I as a northern member travelled on many occasions through Pearson Airport. We all know the expense of Pearson Airport. We all know the cost to fly from Kenora—Rainy River to Toronto. It is almost $1,000 at this point.

My fear in changing the public good of these particular facilities to more private enterprise oriented businesses and no longer institutions is that prices will become so restrictive to northerners in this country that we will become second-class citizens. We pay a lot of our tax dollars not only through our personal income tax but through royalties from resources of the north. We have a large mining industry and a large forestry industry. Through these resources, billions of dollars are put into the hands of southern politicians every year for the benefit of all Canadians.

In northern Ontario we talk on a continual basis about the fact that the agenda of Canada is controlled, to a certain extent, by central Canada and the the Windsor-Montreal corridor. We have always asked as politicians from the north to consider, when pieces of legislation such as Bill C-73 are put in front of the House, it is also looked at through the eyes of northern Canadians. When the Pearson Airport is changed to a private enterprise what effect would that have on northerners? When one goes to Pearson Airport right now—and this applies in most cases to Canadians with low incomes—one can barely afford to eat a sandwich at this facility because of the price that private enterprise is now putting on such goods.

If the government is so inept at running these facilities, then perhaps it should enter into these lease agreements that my colleague from Broadview—Greenwood talks about. Possibly the government should look at a fair and equitable system of leasing and selling our particular goods or facilities or assets of the Crown, if need be. However, to turn around and take this particular piece—

Madam Deputy Speaker: Unfortunately I must interrupt the hon. member. I am sure he will want to continue at the next possible occasion.

It being two o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

WORKERS MOURNING DAY ACT

MEASURE TO ENACT

Mr. Rod Murphy (Churchill) moved that Bill C-223, an act respecting a day of mourning for persons killed or injured in the workplace, be read the second time and referred a legislative committee.

He said: Madam Speaker, it gives me great pleasure to rise on this occasion to introduce my private members' bill, Bill C-223, an act respecting a day of mourning for persons killed or injured in the workplace.

Madam Speaker, as you are no doubt aware, this is the second time that I have risen in this House to introduce this legislation. I have been given assurance from representatives of all parties in this House that they will support this legislation and move it forward in order that we may have a law passed by the Parliament of Canada recognizing the contributions that workers across this land have given, and recognizing the fact that many have given their lives.

I am very proud that the Parliament of Canada is moving forward with this legislation. I believe that it is only proper that it be supported by all parties, because all of us know that the issue of health and safety in the workplace is grave and demands immediate action.

I believe that this legislation will go a long way to improving awareness of health and safety issues at a minimal price to the Government of Canada and to employees and employers alike, because we must spend

more time talking about the health and safety of our workers.

This bill calls for the recognition by Parliament and by this nation of April 28 as a national day of mourning for those persons killed or injured in the workplace in Canada. With the number of people who fall victim to workplace injuries, sometimes fatal, it would appear fitting to ask for a week or a month to remember our brothers and sisters. In this legislation, I only ask that the nation remember these people in an official way for one day each year.

Madam Speaker, I ask that we consider the following. In 1987 alone, 1,031,097 persons were injured in the workplace. Of these, 612,886 suffered debilitating injuries, and 887 were reported as fatalities. These figures are staggering and they have remained consistent over the last decade.

Let us not forget those who have died due to exposure to unsafe materials in the workplace. The Public Service Alliance of Canada estimates that between 6,000 to 10,000 Canadian workers each year die as a result of occupational cancer. Yet many of these deaths are not reported as being job related. These people and the dangers they face must be recognized by the Parliament of Canada.

Workers are indeed what make this country productive. It is injuries in the workplace that rob our workers of their health, their lives and their ability to produce. Think of the statistics: every workday, one worker dies each hour; one worker is infirmed each six seconds; one worker is permanently disabled every 12.7 seconds.

Each year, Canada's economy loses 16 million workdays due to workplace accidents, injuries and deaths. To put that into perspective, 16 million workdays are equivalent to all the time and production lost due to strikes and lockouts five times over. It is clear that the issue of health and safety in the workplace is not only a worker's concern, but a concern to all citizens of our nation.

As parliamentarians, it is our duty to look for and find ways to rectify the problems of unsafe working environments. I believe that education and prevention are the best weapons we have to battle the appalling statistics. All employers and workers must recognize the gravity of this issue and become aware of the ways they can improve their odds against injury or death.

It is the intent of this legislation to ensure, by recognizing a national day of mourning, that Canadians will institutionalize a day to remember their fellow workers, friends, neighbours and family who were killed or injured while on the job site. This would make workers more aware of the dangers they face, and hopefully help to reverse the alarming trend toward higher and higher casualties. I also believe that a national day giving official recognition would be a catalyst for educational programs and other efforts to use this day at the work site to focus our thoughts and to educate ourselves on the issue of work place safety.

April 28 was the day chosen by the Canadian Labour Congress five years ago as a day for mourning job site casualties, because it was on that day in 1914 that the first worker safety legislation was introduced in a province of Canada. That province was Ontario. We have indeed come a long way since that time in the area of health and safety legislation, but as can be seen by the statistics, there is still much to be done. The passage of this legislation, with the support of members of all parties in the Parliament of Canada, would be a step on the road to a healthy work place in Canada.

As the members will notice, I have introduced an additional clause into Bill C-223 from the legislation I introduced in the past to clarify the status of this day of mourning. This day will not be a legal holiday, and as such, opposition to this legislation cannot be based on the problem of time lost on the job. It is ironic, as I have mentioned, the great loss of time that is caused by work place injury and death, that people would be concerned about the time that would be lost if this was a national holiday.

In order to have this legislation accepted by the House, we have made that amendment to the legislation, and again I thank the members in the other parties for their support.

It is my contention that economic progress cannot be achieved at the expense of health and safety of our workers. I am sure that hon. members will agree with me that we are no longer in the era of the beginning of the industrial revolution. We no longer accept sweat shops. We no longer accept child labour, and we can no longer accept unsafe working conditions for our citizens. We must all take the steps we can to promote safer working environments. We believe that the health and welfare of

our people matters a great deal to all of us. Let us ensure that on April 28 every year, we prove that.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I am pleased to speak in support of Bill C–223, an act respecting a day of mourning for persons killed or injured in the workplace. Members will recall that for the past five years, the Minister of Labour has officially acknowledged April 28 as a day of mourning by making a statement in the House and observing a minute of silence in honour of fallen workers and their families.

I believe that by enshrining April 28 in legislation as a day of mourning, it will reinforce in the minds of all of us the terrible losses caused by industrial accidents and diseases. It will also reinforce the need to work constantly and diligently to improve the situation.

In 1988, preliminary figures indicate that more than 800 people died on the job in Canada, and 20 million person days were lost because of work accidents, occupational injuries or illnesses. No one will be unmoved by these figures, I am sure. No loss of life on the job is justifiable, not only from the point of view of the victim's family but also from society's point of view. The direct and indirect costs of work accidents amounted to approximately $22 billion in 1988. That is an enormous burden for our country at any time, but particularly at a time of increasing world competition in trade.

• (1410)

These are telling statistics, but they do not express the tremendous suffering of the accident victims themselves. Often they suffer not only physically but also mentally because they are unable to return to their place of work or earn their living with dignity. These people deserve our help.

We must stand together. We must declare our common determination to fight this terrible scourge, work accidents.

Work conditions and occupational safety and health have evolved greatly since Confederation. At the federal level, there were various pieces of labour–related legislation over the years, but a major step forward was taken in 1968 when the Canada Labour (Safety) Code was adopted.

Occupational safety and health issues are now fundamental to managing the workplace. The rights and duties of employers and employees are now embedded in our law and regulations. For the federal jurisdiction, the Canada Labour Code is the main vehicle used to further the cause of occupational safety and health.

The code requires that employers make employees aware of all known or foreseeable hazards in the workplace. Workers have the right to refuse dangerous work. Also, workers have the right and responsibility to participate in identifying and solving job–related safety and health problems as members of safety and health committees or as safety and health representatives. Needless to say, they play a key role in further safety and health issues.

We should not become safety conscious only after accidents occur. Prevention has to be foremost in our minds. While laws, regulations, and governments play an important role in accident prevention, in the final analysis it is the employers and the workers who are responsible for preventing, eliminating, or controlling hazards in the workplace. This is a responsibility which no one can shun.

Only through awareness and involvement can Canadian workers significantly improve occupational safety and health in the workplace.

This government favours co–operation and seeking consensus and we are constantly searching for ways to give workers and employers the tools they need to prevent work accidents and occupational injuries and illnesses.

On October, 1988, the Workplace Hazardous Materials Information System became operational. This system was created through the joint efforts of federal, provincial and territorial governments, unions, and employers.

The WHMIS is an extremely important system, one of the most advanced of its type in the entire world. Its purpose is to identify and standardize the labelling of hazardous substances used in the workplace. Now that it is operational, this system requires suppliers to state the dangers posed by imported or domestically produced substances that are used in the workplace in Canada. The system also requires suppliers to send data sheets to employers who must then inform their employees of the hazards.

In the area of regulations, the federal government is constantly on the lookout for new approaches it can use with its partners to make the workplace safer for workers.

As we have witnessed in the past, having all interested parties involved in occupational safety and health is the only real way to ensure progress and change in the workplace. In the years to come, we must all be part of the continuing effort to make needed changes happen. Each and every one of us in our respective roles must contribute to reducing the suffering caused by work–related accidents and illnesses.

Enshrining a day of mourning in the legislation will assist in reminding all of us of the need to continue to work toward this end.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, first, I would like to congratulate the hon. member for his bill and I would also like to congratulate the government for agreeing to enshrine this bill into permanent legislation.

Before I speak about it, I would like to congratulate my colleague, the hon. member for Kenora—Rainy River, who is the Liberal Party critic for labour. He has been pressing our caucus and working with our members for a while now trying to persuade us to move in this area, and trying to get unanimous consent which he has obtained without any hesitation from our caucus in terms of our support for this legislation. I know that on a number of occasions he has dealt with the Canadian Labour Congress on this issue. I would like to commend him for his interest. As an individual he is very supportive of the labour movement in his area and across Canada.

Certainly, it is an excellent initiative on the part of the hon. member who proposed the bill to recognize April 28 as the day to remember persons killed or injured on the job. Before I speak about the bill, I just wanted to outline a couple of facts.

According to Workers' Compensation Board statistics, every seven seconds there is a Canadian worker who suffers a disabling injury or disease. Also, the same statistics tell us that every year in Canada approximately 1,000 die as a result of workplace hazards. That is 1,000 lives every year.

Not only that, statistics tell us that there is an economic cost involved with those incidents. For instance, if we look at the latest report by Labour Canada, the cost as a result of incidents in the workplace adds up to about $10 billion every year. These figures do not include those injuries that were disallowed by the Workers' Compensation Board, nor those injuries or diseases that were not reported for one reason or another.

In 1989, for instance, in Ontario we had approximately 465,000 claims made to the Workers' Compensation Board. These claims cost the treasury approximately $1.8 billion in compensation benefits.

Last year, in Alberta, there were approximately 500,000 claims made. The resulting cost to the treasury of Alberta was $2.5 billion in terms of paid benefits.

The figures show that British Columbia had 200,000 claims that were made to the Worker's Compensation Board, and the list goes on and on.

These are some of the economic costs that are we are paying for as Canadian taxpayers'. There are other costs which we cannot put a handle on. Those are the social costs. How can we measure the cost of the death of a member of the family, a friend, or an acquaintance?

The other issue which we also have to think of is the unpleasant situation that one might develop a fatal disease, a permanent disease, or long–term disabilities and the demoralization of an individual as a result of an incident that he or she might have.

In my view, while the bill is an excellent one, there is one aspect which the government should look into besides acknowledging April 28 as the day to mourn those who are killed. That is the aspect of prevention. We have to focus and put all of our energy and resources into prevention. In my view, if we are to invest money in training, education, and awareness in the workplace, we can deal with this issue a lot more effectively than to deal with the result of the problem.

Interestingly enough, just a couple of days ago there was a report in *The Ottawa Citizen* on a Canadian company which also has plants in the United States, Campbell's Soup. The report stated that 70 per cent of the Campbell's workers were found to have some sort of difficulty adapting to changes in the workplace and changing jobs within the workplace. That encouraged me to speak about the illiteracy issue.

• (1420)

The sad thing is that in the vast majority of our industry, other than the high tech industries, there is this terrible situation of illiteracy in our society. It is costing the Canadian economy approximately $10 billion, directly and indirectly. Businesses alone in our society are paying approximately $4.5 billion on an annual basis. One can appreciate the magnitude of the problem and the need for some sort of a proper strategical plan to deal with this issue. Of course, when there is an illiterate work force, there are likely to be more accidents happen in the workplace. People are more to get injured or killed as a result of that.

I cannot see anything in the long run that could handle or deal with the issue of incidents in the workplace better than prevention through education and training. Bill C–223, as proposed by the hon. member, is an excellent first step, but it is a first step. The federal government has to look at this issue as a package rather than look at it in bits and pieces.

We have to deal with this issue through education, through training, through a proper national strategy to deal with illiteracy in the work force, and with the issue of education within the work force and with the issue of free training within the work force. The vast majority of those people who are suffering as a result of that are the workers who are in their forties through sixties. They are the people who are paying the biggest price as a result of the unfortunate amount of illiteracy in the work force as a result of the change in terms of new technologies, new fields and new eras.

On a closing note, I would like to commend the government for adopting the bill of the hon. member. I hope that the Minister of Labour, in conjunction with the Minister of State for Multiculturalism and Citizenship, in the very near future will map out some sort of a strategy so we can deal with this terrible, terrible disease of illiteracy in the work force and consider training and retraining within the work force.

Hon. John Bosley (Don Valley West): Madam Speaker, I will be extremely brief. I had a speech I wanted to make today in support of the bill but, as has been indicated already, the government will adopt this bill and I think that itself should be celebrated so I will not make a long speech.

I had the honour and privilege to be briefly our party's labour critic some years ago and that became an area of special interest to the hon. member and I. We became friends through that. Later I had some satisfaction in a different role here having something to do with allowing our employees to be better able to negotiate with their employer here than they were able to before. As well, in my riding is Lindhurst Hospital which for those involved in rehabilitation therapy is a fairly special place. We see the consequences of work place unhappinesses. I only want to say this.

Today represents one of the things that the present Lieutenant Governor of Newfoundland hoped to see some day when he introduced his reform package and that is that we would be able to do more of this in this institution. I want to congratulate the government for accepting a sensible idea and, specifically and importantly, I congratulate the hon. member for Churchill for his initiative. It is because of the possibility of McGrath's reforms and the initiatives of people like the hon. member for Churchill that we will make more progress in this place.

Mr. Ken James (Parliamentary Secretary to Minister of Labour and Minister of State (Transport)): Madam Speaker, I just have a few short words. I, too, would like to congratulate the hon. member for Churchill for his bill.

As was mentioned by the member from Ottawa, who takes a lot of interest in the workplace, literacy, and numeracy, I also too, have a great interest in all this. It goes all the way back to the child, growing through youth, training, education, and health.

All that leads to less opportunities for accidents in the work place. I think it all ties together. Certainly the minister and the government are pleased to be supportive.

Madam Speaker, you will find that there has been consultation among all parties and that there is agreement to have this bill go to a legislative committee. I suggest that that be put to the House.

[*Translation*]

Madam Deputy Speaker: The hon. member for Portneuf.

Mr. Marc Ferland (Portneuf): Madam Speaker, I will be very brief. I just want to say that I was delighted to see the hon. member for Churchill table this bill in the House.

Madam Speaker, you don't see me rising very often to congratulate a New Democrat but today it is a pleasure to congratulate the hon. member on his excellent initiative.

Before I was elected to Parliament, I became familiar, through my work with the problems that exist in the construction industry. I have worked for engineering firms, and I was involved in the construction industry for 24 years. I saw the safety problems they had on construction sites and I remember the number of deaths that occurred annually, both in the consturction industry and industry in general.

It is therefore a real pleasure today to see that the House is unanimous in its approval, and I hope there will be other times when we will have the same kind of unanimity on other subjects. I say bravo to this excellent initiative, and it is a pleasure to support this bill, Madam Speaker.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I too would just like to rise and congratulate the member for Churchill before we put the question.

I would just like to mention to the member the significance of what this bill says. If we take a good look at it, it basically says: "A national day of mourning". That is not something to be overly proud of, the fact that we have to have a day to commemorate the death or injury of a lot of Canadians.

I want to bring forward the suggestion of my colleague from Ottawa. Basically this is the starting point of something very significant. It is not out of the question for the government to consider that this should be a national day, a holiday, in one sense; that is, an opportunity for workers all across the country to have the day off work in order to have conferences and to participate in educational endeavours and processes necessary to educate the public and the workers of just how large an economic and social problem this really is.

I bring that to the member's attention, because it is not pleasant when in this place we have to talk about people's deaths and the reasons why they are occurring in a country that is considered to be one of the most sophisticated and technological in the modern world.

I would like to congratulate the member. I ask members opposite who are in government to consider using this as a starting point, to push it just a little further, and to do what we have done for the environment, for example, which we had once totally ignored. Through initiatives that members made in this place we have carried it to the forefront.

I think the work force and the work place of Canadians is of the utmost importance to us all. We should think very seriously about going forward and not just standing still.

Madam Deputy Speaker: I understand that the House is ready for the question.

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

Madam Deputy Speaker: I imagine there is unanimous consent to call it three o'clock.

Some hon. members: Agreed.

[*Translation*]

Madam Deputy Speaker: It being three o'clock, the House stands adjourned until next Monday at 1 p.m., pursuant to Standing Order 24(1).

The House adjourned at 2.30 p.m.

HOUSE OF COMMONS

Monday, October 29, 1990

The House met at 1 p.m.

Prayers

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

PARLIAMENT HILL

SMOKING REGULATIONS

Mr. Ray Skelly (North Island—Powell River) moved:

That, in the opinion of this House, the government should demonstrate to Canadians that Members of Parliament and their support staff are subject to the same regulations enforced in federal buildings with regard to the smoking of tobacco products by banning immediately all smoking of tobacco products on Parliament Hill.

He said: Mr. Speaker, it is a pleasure for me to rise in the House to speak today on this important issue.

The issue comprises two things. One is the matter of a very serious health problem in Canada, indeed the world, and that is smoking and consumption of tobacco products. There is the impact on our health budget and on our population, generally.

The second aspect of it is the question of the House of Commons adhering to regulations that it has put forward, as well as setting an example for the rest of the country.

By the end of this Private Members' Hour, I would ask if the Chair will be ruling on a matter raised by the hon. member for Annapolis Valley—Hants. He had made a plea, in a question of privilege, that smoking by members of the Conservative caucus on the other side in the lobby be curtailed or ended as per the requirements.

The motion that we are dealing with today, in attempting to curtail or at least prohibit smoking entirely on Parliament Hill, is very relevant. It asks that members of Parliament set an example by following the rules that they have laid down, especially in an area such as the House of Commons. It would be my hope that the Chair would take this very timely opportunity to answer that particular question of privilege and whether or not the rules and regulations imposed by the House will in fact in this place, the House of Commons, be followed.

The second thing that I would be asking today, probably by the same vehicle, is that the Speaker's office become involved in the matter of enforcement of the regulations of the House. The maintenance staff of the House of Commons report that 20 per cent of the offices are still permitting smoking to be carried on in the offices on the Hill. Apparently, they have kept a survey of offices in the simple matter of clearing out the ashtrays. The rules are not being adhered to. It would be my hope that, at the end of the day, that matter would be dealt with as well by the Speaker's office in an attempt to encourage members, support staff, and employees on Parliament Hill to follow through on it.

Why? It is a simple matter. If the House treats with contempt rules and regulations to attempt to preserve and enhance the health of Canadians, surely nobody else has to follow them. When I walk along beside a school yard, be it in British Columbia or as far away as Brookfield High School here in Ottawa, and see hundreds of young people in front of those schools smoking, I think we have an obligation as people in elected office to set an example to carry that out.

The thrust of this motion asks that there be no smoking on Parliament Hill, period. The reason for this is twofold: It is a serious health problem and there is a need for an example.

Hopefully, the question of privilege will be picked up today and the Speaker's office will treat as a serious

matter that still about 20 per cent of the offices pay absolutely no heed to the question of smoking on the Hill.

• (1310)

The third item is that the gatherings at the doors are just intolerable. There are rights for people who do not smoke and those individuals who do should be moved off Parliament Hill if they intend to smoke.

The question of smoking is an interesting one. I would like to begin the main body of my remarks by quoting from a hearing of the Subcommittee on Health and the Environment of the House of Representatives in the United States in July of 1988.

The matter before the Subcommittee on Health and the Environment in the House of Representatives revealed a document from the research department of Philip Morris by William L. Dunn, a researcher for them. He said we should understand clearly that "cigarettes should not be conceived of as a product", but that Philip Morris uses cigarettes only as a package to sell a drug, nicotine. The report states the product of this tobacco company is nicotine, and the cigarette and the other forms in which it is sold are simply the packaging. The report states:

> The cigarette is but one of many packaged layers. Think of the cigarettes pack as a storage container for a day's supply of nicotine. Think of cigarettes as a dispenser for a dose unit of nicotine, think of a puff of smoke as the vehicle for nicotine.

In short, before the American Subcommittee on Health and the Environment, it was clearly defined by the company itself that it was in the business of selling drugs. We in the House of Commons have got to adopt that approach to this product. In fact, the drug is defined as one that is more addictive than heroin.

It is ironic that there is not a smoker who does not say: "I want to quit, " and that smokers do not believe that this activity is a healthy activity. They are convinced by the information that it is detrimental to their health and they want to quit. Unfortunately, there is not an incentive that brings them to want to quit right now.

We have that opportunity on the Hill to clean up the act, in the government lobby by answering a question of privileges, and in the offices of members of Parliament by addressing this report from maintenance that says 20 per cent of the offices are still permitting smoking. That should happen and that should happen today.

The next point is that the health budget of Canada in 1987 ran something in the order of $46 billion. It was estimated that up to 5 per cent of that was treating people who voluntarily damage their health or the health of others by consumption of tobacco and smoking. It is interesting that we are talking in the order of $2 billion to $3 billion of the health budget expended in treating illnesses that are completely preventable, caused by a voluntary activity. If smoking stopped that area of illness that would disappear. Those health care resources could certainly be better used in treating children with cystic fibrosis, in expanding health care technology, and in community health programs. There are 1,001 areas, such as reducing the waiting lists in British Columbia for coronary artery transplants and open heart surgery that will save lives. This squandering of health care resources is a terrible situation.

The Parliament of Canada has an opportunity to set an example. Not only do we see that this is not enforced in the members' lobbies, this is not enforced in members' offices, and employees are permitted to smoke on the Hill. We have a nursing staff which operates health units on the Hill. Those health units do not have a statement of goals and objectives aimed at trying to assist people on the Hill who smoke to stop.

Mark my words, there is not a smoker who does not want to get out from under this habit. The consumption of nicotine is as powerful, if not more powerful, than heroin. The nurses on the Hill are a competent and committed staff, who do not have a set of objectives laid out for them by the human resources operation and who do not know how many people smoke on the Hill, who do not in any regular way offer quit-smoking courses, and who do not follow up. In an interview with the nursing staff, they indicated that there needs to be a budget allocation for that kind of activity. There needs to be a steady follow-up of how many people are smoking, how many people have tried to quit smoking and, again, a substantial, working, quit-smoking operation on this Hill that is an example to other industries and other operations in Canada. Rather than being in the back eddy of this activity, we should be leading it and setting an example for others to follow. The argument was that

there was not enough, in terms of human resources, to undertake that kind of study.

At Algonquin College and at the University of Ottawa, there are student nursing programs in which part of their practicum is to undertake public health assignments. This assignment of undertaking a survey on Parliament Hill, assisting in setting up quit-smoking operations and doing some follow-up would be an excellent public health practicum for those nursing students of Algonquin College or the University of Ottawa. It is simply a matter of channelling resources that are already there and helping the education process on the Hill.

Tobacco kills more people than drug addiction to heroin, cocaine, or marijuana or than motor vehicle accidents. In the United States, every year, tobacco kills more people than those afflictions. It is interesting to note the amount of money and initiative spent for law enforcement in those areas and yet we pay minor lip service to attempting to prevent health damage due to tobacco. It is absolutely critical that we do that. On this Hill, the example could start.

I commend the Minister of National Health and Welfare for statements that he has made. Those statements must be translated into action. They are not strong enough. Remember that smokers want to quit, but they are in the grip of a powerful addiction, a powerful drug, promoted by tobacco companies, absolutely unscrupulous companies, which are targeting children and Third World countries and attempting to push this product. What we have is the Government of Canada making statements that it recognizes the problem but failing to act or failing to act strongly enough.

First, there must be an absolute ban on importing tobacco products into Canada. The health of the population of this country is at stake. We would not permit cocaine to come into Canada and yet it does less damage. We would not permit heroin or crack to come into this country. We put enormous law enforcement against those drugs, but we permit tobacco products to come in and kill far more than any of those products.

There must be an absolute ban on any kind of tobacco advertising and promotion by tobacco companies of events in this country. A stroke of the pen does that. It begins to erode and break the tobacco companies' market. It is an absolute must. The carrot and the stick, prohibit it.

There is no reason why we should assist smokers to gain the product. Increase the tax on tobacco—pick a figure—100 per cent a year for 10 years. By the end of 10 years, it would certainly be very difficult to smoke. There would be a powerful incentive to get involved in a quit-smoking program. The more incentives that we can provide, the more people will quit, the more healthy this population will be, in terms of the individual smokers as well as the people affected by the health hazards of secondary smoke.

Incidentally, it is projected that 330 people a year die of cancers and health problems related to secondary smoke such as spouses and children of smokers who are affected by this. We cannot tolerate it; we must prohibit it. We must prohibit the import, tax tobacco products and absolutely prohibit any tobacco advertising and promoting.

The next thing is that the Third World is being targeted to take up the slack where there is market erosion. Market expansion and profit expansion of the tobacco companies is going on and it is by exporting to Third World countries. A ban on the export of the product would fix it at least from Canadians. There should be an initiative through the World Health Organization and the United Nations to stop other countries from doing it. These are the things the government could be doing nationally on the prohibition side to create a healthier Canadian population, to prevent the death that goes on as a result of tobacco smoking, the selling of a drug that is killing Canadians. We could see that happen if the government took this seriously. I know the minister of health takes it seriously. I know the Liberal Party takes it seriously and certainly we take it seriously.

• (1320)

There is also the health promotion side of it, the carrot and the stick. We have no truck or trade with the tobacco companies. They are selling a drug. They are the purveyors of death. That is absolutely certain.

They are targeting our children, our teenagers in those schools. They are talking about selling smaller packs of cigarettes, selling packs of cigarettes with sunglasses in them, or CD disks in order to niche market this stuff to our kids. We have to stop it. It is absolutely ludicrous. We

have to set the example, as members of Parliament and people who work in this institution, to other Canadians and to our own children that this has got to stop.

On the promotion side of it, we have a health unit on this Hill with dedicated people who staff it, who have offered quit-smoking programs on this Hill, but they do not seem to have the budget or the support of members of Parliament, of the Speaker, and of the human resources directorate. We should be putting a quit-smoking program in place. There should be a careful survey of smokers on Parliament Hill. There should be a highly advertised program to attract people into that with incentives: time off work to participate, not on a Friday night or a weekend or after work when everybody is tired and it is difficult to avoid your other commitments, but let us give an incentive where those people are paid to take that program.

Our benefit is simply a healthier population that has proven more productive. There are fewer days of illness for non-smokers than smokers. The workforce on this Hill would be more productive. The workforce on this Hill and the people who live and work here would be healthier. The return to health care budgets, to productivity, would offset the costs of providing a quit-smoking program.

Then we need some resources to follow up. Not everybody can shake this drug the first time around. If there is follow-up and continuing incentive and support to do it, we could be of tremendous assistance to stopping the smoking on this Hill. Nobody is attempting to remove the rights of smokers, to belittle them, badger them. It is simply too important a health care item.

It is the voluntary destruction of a person's health and the committing of our health care resources to treating them when those injuries occur, for the loss of productivity in common tasks that we all share here, that is preventable. We are all the beneficiaries of that. We must move on it, Mr. Speaker, and we must be strong.

In terms of the taxation item, if there was an enormous effort to tax the industry and to prevent the development of this industry in Canada, we would have to look seriously at conversion. There is no reason that tobacco farmers should be totally and economically hung out to dry. There should be a move in this country to reduce production by 10 per cent a year to the year 2000, when we are out of the business totally.

The taxes raised could assist farmers to move into different operations. The incentive again is to provide grants or forgivable loans to individuals who convert from tobacco to another product. We could attack this from the bottom of the industry, where tobacco is grown and processed, to the very front end of it where our children are standing out in front of the elementary schools, the junior secondary schools, and the senior secondary schools initiating themselves into a habit that is going to kill quite a number of them.

Mr. Speaker, there are a number of people who wish to speak on this issue this afternoon. It is my hope that your office will rule on the question of privilege of the member for Annapolis Valley—Hants that this institution must not permit smoking within the confines of the House of Commons, the Chamber, or its opposition lobbies.

The Speaker's office should take the initiative to stop smoking in members' offices. How can we turn around to our employees and say: "There is a penalty for you smoking on this Hill," and yet at the same time permit it elsewhere. That example has got to happen, Mr. Speaker.

Let us get into our health unit and order the director general of the human resources branch to get a clear statement of goals and objectives, to get a powerful stop-smoking program on this Hill and with the incentives to make it successful in the follow-up.

The last statement is an appeal to the minister of health. Good so far, but statements are not enough. We need a powerful attempt to stop this industry in its tracks and save Canadian lives that are going to be lost, and lives of our children that are going to be lost.

Hon. David MacDonald (Rosedale): Mr. Speaker, first of all I want to congratulate the member for North Island—Powell River for reminding us once again of the considerable importance and significant act that was taken by this Parliament not very long ago in its previous session. I think I am right in reminding him that it was one of his colleagues, the former member for Broadview—Greenwood, Lynn McDonald, who initiated this very important step that was made here in the previous Parliament.

Bill C-27, the Non-Smokers' Health Act received Royal Assent on July 29, 1989, along with the regulations made pursuant to the act, and came into force on December 29, 1989.

Members will recall that that bill was given all-party approval. It also received extensive support from health organizations, employer and employee groups, consumer organizations, anti-smoking groups and the public at large.

Essentially, the act prohibits smoking in the workplaces under federal jurisdiction except in designated smoking rooms or areas. Perhaps to the degree that the member for North Island—Powell River is able to point out that we have not sufficiently eliminated smoking in either members' offices or in other parts of this building, it may be partly attributable to the fact that I am not aware if we have made available any alternatives for those who on their own private decision have continued to smoke. Certainly in the winter and other times of the year we see people outside of these buildings and other public buildings puffing furiously. This may not be the most humane or even sensible way to proceed.

There is no doubt, however, that research has demonstrated that breathing second-hand tobacco smoke contributes to, or causes a variety of health problems. Now that we have eliminated in the first instance the public acceptability of smoking in public buildings, there is this problem for those who are very much affected by second-hand smoke.

Tobacco smoke contains in excess of 4,000 different chemicals. Some of them are highly toxic, and 43 at least are known to be cancer-causing substances. Studies show that second-hand tobacco smoke worsen systems of pre-existing conditions, such as angina, emphysema, acute respiratory diseases, asthma, hay fever and other allergies. Prolonged exposure may also increases instances of lung cancer and heart disease.

A recent report examined the effects of second-hand tobacco smoke and makes reference to the United States Surgeon-General's conclusion that involuntary smoking can cause lung cancer. Children of parents who smoke face increased risks of respiratory disease. The separation of smokers from non-smokers in the same air space may reduce, but does not entirely eliminate exposure to environmental tobacco smoke for non-smokers.

A recent study by the Environmental Protection Agency in the United States states that if you add up all the lung cancer deaths from other cancer risks which the EPA regulates, the total number of deaths from all those sources would be less than the number of deaths now attributed to environmental tobacco smoke in an indoor environment.

The purpose of the act, therefore, is to protect both employees and the public who have access to the workplace from the adverse effects of such exposure. Under the act, employers under federal jurisdiction have a responsibility to ensure that persons do not smoke, except in designated smoking rooms or smoking areas. If an employee contravenes the act, the employer is expected after due warning to take disciplinary measures against that employee, consistent with standard employer-employee disciplinary practices. In large measure, however, the act is self-regulating, although there are more stringent enforcement measures available in cases of flagrant contradictions.

The act has been in effect for some 10 months and I believe that it has been received in the workplace with remarkable equanimity. My friend for North Island—Powell River mentions that there are still 20 per cent of the offices where there is the obvious evidence of those who are still smoking.

• (1330)

An equally remarkable statistic is the fact that 80 per cent of the offices do not now reflect that. When one thinks about the heavy incidents of smoking, politics and smoke-filled back rooms, I think in the course of less than a year it has been a remarkable, most impressive change, one that is very significant. I want to say a word about that in a moment.

Attitudes toward smoking have changed rapidly and profoundly. The right of workers to a healthy smoke-free environment is no longer a matter of debate. When we think about environmental issues generally and matters of personal health and safety specifically, we have to say that in terms of what has happened in the Parliament Buildings over the last year or two nothing is more impressive, in my estimation, than the very real change of atmosphere—no pun intended—with respect to the way in which smoking, if not entirely eliminated, has been reduced so substantially as to be truly significant.

Over the course of the last year you will recall that collaborating with you, Sir, and with members of the environment committee—and I would like to pay tribute to both, including my seatmate from Parry Sound—Muskoka and others—we have been attempting to make the Parliament Buildings and environs a model of environmental responsibility.

Another example which I think is quite impressive is that of styrofoam cups, which have been used in abundance here for years. We were up to close to one million styrofoam cups per year. In the course of making the transition away from styrofoam in the last year, we have eliminated by half a million the number of styrofoam cups presently being used.

Major changes in lifestyle and personal practices can take place when there is a will to do so. With respect to smoking, we have already been impressed by the changes that have taken place. I would like to emphasize that the Non-Smokers' Health Act applies to all workplaces under federal jurisdiction, including the House of Commons and the Senate. Section 2 of the act is explicit on that point. Members of Parliament and their support staff are subject to the same requirements as the rest of those under federal jurisdiction. We have ensured that we have not imposed on others legislation with which we ourselves are not prepared to comply.

It is true, as the hon. member for North Island—Powell River has suggested, that there is still 20 per cent of the offices where there are some incidents of smoking. I would like to commend the other 80 per cent, that other four-fifths that have made this very real change in lifestyle and practice in their own offices and environs.

There are still going to be complaints—and I believe we should be aware of them and take appropriate responsibility—about members who are smoking in restricted areas such as their own offices. We simply cannot allow this to continue indefinitely. I certainly strongly recommend to you, Mr. Speaker, that all members of Parliament and their support staff take upon themselves to comply with the regulations in the Non-Smokers' Health Act and thereby set an important example for all the very real and important reasons suggested by the hon. member for North Island—Powell River and certainly well known to all members of this House.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, cigarette smoke adversely affects smokers and non-smokers alike. It harms adults and children as well as the unborn in the wombs of their mothers. Yes, smoking is a serious hazard to health.

I therefore rise today to speak on this particular motion from our colleague from North Island—Powell River to reinforce the concern I and other Canadians have and should have about this deadly poison: smoking.

I am confident that all members of this House will agree that smoking is a health hazard. Since the hon. member proposed his motion on June 27, 1989, we have seen improvement in the House, as noted, from the House of Commons smoking policy dated November 1989. We have seen improvement, but we would like to reinforce the idea of the danger of smoking.

Smoking related diseases kill some 35,000 Canadians every year. Second-hand smoke causes about 350 deaths each year in Canada. Deaths due to smoking are not due only to cancer that victims develop. No doubt smoke is a class *a* carcinogen in the ranks of asbestos and benzene. However, deaths from smoking also occur from other chronic debilitating lung diseases such as emphysema, chronic bronchitis and bronchiectasis—diseases that make it difficult for patients to breathe freely. This disease not only kills but also incapacitates a large number of Canadians.

This issue is not getting the prompt attention necessary to make this disease disappear from Canada. Regulations governing labelling of cigarette packages have again been delayed by this government. We have seen that. It appears the tobacco lobby is allowed to win some battles. We cannot afford to be complacent. We cannot afford to sit down. Seeing the dangers of smoke, we have to remain vigilant.

Ten years or so ago the idea of banning smoking on the job would have appeared outrageous to most Canadians. Today we should be outraged that smoking is still allowed. The challenge is clear. Ten years from now we should be able to say and wonder why smoking started in the first place in the history of mankind and continued to be condoned and abetted by governments. I do not want to wait until the turn of the century for cessation of smoking to happen. Smoking is killing our adults, is

killing our growing children, and is even killing the unborn.

The House of Commons should set the example for the rest of the country and completely ban smoking to the extent that no one is allowed to smoke on the grounds of Parliament Hill, let alone on the doorsteps. I am promoting today that smoking be prohibited everywhere and anywhere on government property. We have an obligation to set the model. We should be a paragon to others.

Those who do smoke, we must understand them as well. We must provide them with the means and the necessary resources for them to quit the habit with ease. According to senior scientists at the Addiction Research Foundation in Toronto, those who try to quit the smoking habit face three difficult hurdles: nicotine addiction, psychological habituation, and emotional reaction. Each smoker is a separate clinical case. Any smoking cessation program, therefore, should be tailor made to the individual. I congratulate the leadership of the House of Commons for allowing an assistance program to be available to smokers who want to stop smoking, but we must see to it that everyone is making use of this program.

Commercial gimmicks should not replace proven effective methods. For the method to be successful we should have policies in place so as to include the necessity of providing psychological and financial help to those who want to quit smoking. As along as a person wants to quit the habit, the federal government should be there to provide all the necessary assistance.

In the interim, designated places must be available for those who cannot yet break the habit. Designated spaces ought to be adequately ventilated. As well, the employees of the tobacco industry must be helped to find alternative types of work. If we do this then we are serious in our purpose. We realize that smoking is so harmful that even if only the cost of health care is taken into account in our country, there is a big price to pay, not to mention loss of human lives.

One approach that has been proven effective to further counteract smoking, particularly among the young, is to increase taxes on smoking. We should do that. We should tax smoking to death, if need be, but we must remember that that is only one step. We must link health care policy and tax policy together if we are to stop this bad habit in the country.

I am very pleased to speak to this motion. I salute my colleague for bringing it forth for further consideration. If we have the will we can always find the way.

• (1340)

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I am happy to address the House on the evolution of the Non-Smokers' Health Act and how it was developed to ensure that the health of visitors and employees of Parliament Hill would be protected.

The legislation which eventually became the Non-Smokers' Health Act was introduced in the House of Commons as Bill C-204, which became the act. It was supported on both sides of the House and Senate, as well as by various groups representing labour, health organizations, consumers, employers, citizens, anti-smoking groups, et cetera, and given Royal Assent in June 1988.

By Order in Council in December 1988, certain ministers were made responsible for the implementation and administration of the act. I take exception to the hon. member for North Island—Powell River suggesting that we have not been leading in this initiative. It is really misrepresenting this government's actions to the people of Canada.

I want to point out a couple of areas that I am sure the hon. member would applaud if he were to stop and think about them. For example, when the Minister of Transport, who is one of the designated ministers I talked about earlier, took the case of the new legislation, Bill C-204, to the common carriers, the carriers of Canada immediately followed the regulations, including Air Ontario based in London, Ontario, and brought in non-smoking flights. This applied to flights to international destinations as well.

The member would certainly join with me in congratulating Air Canada which is a way out in front in this particular endeavour by having no smoking at all on its flights in the future.

Clearly the act which became law under this government was passed on to Canadians who picked it up and are moving ahead with gusto.

Last June this Parliament had the opportunity to host 300 of our colleagues from 30 countries in the Council of Europe sponsored environment conference here in Ot-

tawa. We brought in this law, Bill C-204 with all its regulations, into effect, so the Europeans learned first-hand from Canadian parliamentarians that possibly they could take some of these regulations and these ideas for legislation home to their own countries and bring non-smokers' rights to the attention of their own legislatures.

There has been clear leadership both within this House as well as within this government. I think the member for North Island—Powell River could reflect on that and say: yes, this government has been active and has been very supportive of the health of Canadians in wanting to do everything about it.

That is not to say that there have not been problems. In its original form, the act contains certain deficiencies that would have made it difficult to administer and apply. For example, it lacked a system of inspection and enforcement and had as well technical and drafting problems.

For example, section 3 of the act required that every employer provide a smoke-free environment in which all employees could perform the duties that are directly or indirectly related to their employment. This requirement would have made it necessary for concentrations of tobacco smoke to be measured, which technically and administratively is not feasible with any degree of accuracy.

There was also confusion about the terms smoking room and smoking area, as well as the definition of employer. Clearly there were things to overcome, but again our government has not been negligent and has worked on these. Without departing from the spirit and intent of the act, amendments were sought to provide a system of inspection and enforcement, to correct its deficiencies and to enhance its workability.

Bill C-27, an act to amend the Non-Smokers' Health Act, was passed by the House of Commons on June 26, 1989. It is very clear that this government has not fumbled the ball. It has stayed on top of this issue because it knows that it is important to Canadians. It knows that the health of Canadians is first and foremost on their minds, as any good government would. In fact, policies and regulations must be in effect that will help Canadians as we move forward to be the champions of the 21st century. It is evident that we already have legislation designed to prevent smoking on Parliament Hill except in designated rooms. It should be emphasized that such rooms cannot be members' offices.

The employer is responsible for enforcing the Non-smokers' Health Act in the workplace. If workers do not abide by the rules in the act, the employer is supposed to take appropriate action. Such action would first involve a warning to the employee who violates the act. If this type of response proves to be unsuccessful in achieving the employee's compliance with the act, further action with respect to that worker would have to be taken by the employer. This action should be consistent with traditional disciplinary procedures established by the employer in consultation with employees.

I think, Mr. Speaker, that goes without saying, it is common sense. The fact that Canadians are grasping this act of the Government of Canada, Bill C-204, shows that they know that its time has come, that the health of Canadians is at stake. Canadians have risen to that challenge both nationally through their actions, the fact that they do not ask government to give them no-smoking campaigns, and they do not ask the government to pay for them to stop being smokers. They know the responsibility is theirs. They are readily coming forward, accepting this responsibility to their fellow Canadians and acting appropriately.

This message has not got lost on our colleagues that we share this world with. The fact that other parliamentarians as they leave this House see how far we have come on such health measures as this one, are now going back to their legislatures around the world seriously looking at what Canada, what this Progressive Conservative government has done for Canadians and saying these people know the way, they are the future. It is a pleasure to speak on this today.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I should like to comment briefly on Motion M-510 which was introduced by the hon. member for North Island—Powell River and which reads as follows:

> That, in the opinion of this House, the government should demonstrate to Canadians that Members of Parliament and their support staff are subject to the same regulations enforced in Federal buildings with regard to the smoking of tobacco products by banning immediately all smoking of tobacco products on Parliament Hill.

I listened very closely to all my colleagues who spoke on this issue.

[*English*]

I do agree with him totally that smoking is not good for one's health, whether one smokes or someone is smoking next to one. I think it has been proven. Everyone understands that. Practically everyone seems to accept this.

I think the approach is one of a totalitarian state. We give people authority sometimes but they are just a group of do-gooders wanting to protect the health of everyone, including their own. Of course, we have to be careful.

I am a non-smoker. I have never smoked any time during my life except for once when I was 14 years old. I tried a cigarette and I was so sick that never, never again did I ever touch one. I got the feeling that I was absolutely allergic to it. However, I understand that some people are not allergic to smoking like I am, but my allergy does not make me Attila the Hun where I command and order everyone to do as I feel is best for them.

That is the part that I really find disgusting in this approach. We should have programs.

[*Translation*]

—programs which encourage people not to smoke, programs which encourage people to quit smoking, programs to ban advertising to promote smoking. Smokers have various options, mainly cigarettes, cigars, and pipes. I am sure my colleagues all agree that we used to have a generation of cigar smokers—practically extinct by now, thank God!—a practice that was absolutely disgracious. It was enough to make you choke and, besides, it stank!

• (1350)

There were people who smoked a pipe and some still do. Some people don't mind the smell at all, in fact they enjoy it.

As far as cigarette smoking is concerned, the smell is far less offensive. In the case of cigarettes, we see people who have been inveterate smokers for many years. For some people it is pretty hard, and in some cases almost impossible, to shake the habit and quit smoking. I know members of this House, employees, friends of the family and even family members who smoke.

I think the key word is moderation. First of all, people should be encouraged not to smoke. However, we should not go overboard with our regulations. We must not be stricter than our own rules. When we go past public buildings, whether they are federal, provincial, municipal or regional, where the rule is: No smoking, it is a common sight to see employees, winter and summer, come out of these buildings and pollute the space outside the building, and I am referring to visual pollution. There is also pollution in the real sense, when they drop their cigarette stubs all over the place, because the people who run the buildings close their eyes to the problem and refuse to co-operate and accommodate inveterate smokers by providing ash receptacles to keep the place clean. I think it is ridiculous that enforcing these rules means people have to go outside to smoke in the middle of winter. I wonder how much sick leave is taken as a result of the fact that people are forced to go outside to smoke for ten minutes, without a coat on, and then go back to their jobs.

I think it is unfair that people who are addicted to smoking don't have a place where they are allowed to smoke. I think the Minister of Transport's decision to prevent smoking on board aircraft is ridiculous if it applies to all flights and all aircraft. There should be a space for people who are addicted to smoking and who have to smoke.

I repeat, I hate the smell of smoke, and I can't stand people smoking in front of me. However, what I find even more distressing is the authoritarian attitude of certain people—

[*English*]

—do-gooders who decide what is good for other people and they are going to apply it as if they were Attila the Hun or the chief of police. They go all over the place like police officers being absolutely disagreeable with everyone and not being accommodating in the least bit.

This motion says that everywhere, all the time, there is to be an immediate ban on all smoking of tobacco products on Parliament Hill. I believe that there should be areas where those who are stuck with smoking are allowed to smoke, and that these people do not have to rely on trickery, cheating, hiding, and all kinds of other activities so that they can have their short smoke.

Mr. Speaker, because of the autocratic and totalitarian approach of this motion, I would vote against it.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I was listening very carefully to the hon. member for Carleton—Gloucester who summarized his position, saying that policies and legislation in this area were too authoritarian.

To a certain extent, he is probably right. However, I would like to mention a very specific case in my riding, which concerns residents who work at the tax centre in Shawinigan South. There are 1,500 employees. Before Parliament passed two bills—we voted twice on this subject—half of the 1,500 employees at the tax centre of Shawinigan South were acknowledged smokers. They were obviously not very pleased when they heard that the Parliament of Canada had passed legislation prohibiting smoking at their place of work.

Subsequently, the federal government introduces policies to help these people quit smoking—which can be dangerous to your health—in the workplace. They held demonstrations. They came to my office. They protested vehemently because they felt their rights had been violated. In this country, people seem to have more rights than responsibilities. So in this context, the Shawinigan South tax centre offered its employees a chance to take courses at taxpayers' expense.

Mr. Speaker, today, nearly 75 per cent of smokers at the Shawinigan South tax centre have quit smoking. When we meet them today, they say: You forced us, but you did us a big favour by making us give up smoking. The initial negative reaction among federal employees in my riding was very strong. They were emotionally and personally shocked by the fact that they had to give up an old habit, unhealthy for them and for society. They found it very difficult to accept the federal government's decision.

Today, the same employees are delighted, at least most of them. There may be a few, as the hon. member for Carleton—Gloucester pointed out, who go outside to smoke the way people do here in front of the Parliament Buildings. These people are sick, and that is why the legislation comes under the jurisdiction of Health and Welfare Canada, Mr. Speaker.

When we see people who have to go outside at 30 below, outside the Parliament Buildings here in Ottawa or in my own riding in Shawinigan, I think we have ample proof that this is a situation where the legislation must be enforced in order to help people who are often unable to make this kind of decision on their own.

In this perspective, I think the motion presented by the hon. member for the New Democratic Party is a very important one, and that we should support it. As members of Parliament, we should set an example, whether we are on the opposition side or the government side, to the rest of Canada.

Viewed from that standpoint, Mr. Speaker, some people might suggest that the motion of the New Democratic Party member is redundant but at least it is a timely reminder to all of us here on Parliament Hill and to all Canadians who are listening to us that it is very important to protect our health. There is no such thing as the right to destroy one's health, nor is there any such thing as the right to destroy the health of people around us. Nowhere in any parliamentary institution worldwide is there a right to destroy one's own health.

Mr. Speaker, if there were no highway safety code in your riding, drivers would breeze right through red lights. We put up traffic lights to remind people that we live in an orderly society. We have laws and regulations because we are not living in the forests or in northern regions where rules may be less restrictive.

Mr. Saint-Julien: Oh, oh!

Mr. Pronovost: I see my colleague from Abitibi does not take kindly to my remarks about northern regions, but I certainly did not mean to be little his riding. We have to take an all-encompassing approach to this bill. It does not restrict the rights of the citizens, it protects them yet at the same time it confirms that people who are victims of the tobacco habit have responsibilities, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hour provided for the considerations of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADA CAREER WEEK

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, this is Canada Career Week. It is a national event that promotes the need for young Canadians to focus on their futures while still in school.

Communities all across Canada are pitching in to stage a range of imaginative events. Students, teachers, parents, the government, and the business community are all taking a role in helping young Canadians to look ahead to their career opportunities.

In my riding of Calgary Southwest, our Canada Career Week committee is hosting a breakfast forum for about 80 counselling professionals. The theme is: "Managing Your Career to Manage Your Life". We hope to create a ripple effect throughout the school system that will influence young people to stay in school to achieve their career objectives. In this way, we are joining hundreds of other events all across the country to help young people make their own career decisions.

* * *

HERITAGE LANGUAGE PROGRAMS

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my many years in continuing education here in the nation's capital taught me the importance of heritage language programs to both children and adults.

In this country we pride ourselves in our cultural diversity and our tolerance. There is no better way to appreciate each other than by encouraging these heritage languages to be enriched and shared.

[*Translation*]

Everywhere in Canada, heritage language schools are feeling the pinch of federal funding cuts.

[*English*]

I call upon the government to reconsider its slashing of funds to heritage language schools and to heed the request of those who rallied here on Parliament Hill, this past Saturday, requesting the same.

* * *

ISRAEL

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, the last two years have likely been one of the most difficult periods in the history of Israel. Many Jews around the world are feeling a sense of alienation and a lack of support for Israel's genuine pursuit of peace and self-determination.

There have been many instances of unbalanced media reports. Where was the world outcry against the terrorist whose bomb killed Marnie Kimmelman, of metropolitan Toronto, on a beach in Tel Aviv in July?

The recent killing of almost 20 Palestinians at Temple Mount was indeed tragic and sad. I support Israel in refusing to receive a United Nations investigation team. The tragic incident has been investigated by a government-appointed inquiry and its findings have been made public.

This is a time when friends of Israel, such as Canada, must stand up and be counted.

* * *

THE ECONOMY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, the government's policies continue to drive Canadians across the U.S.-Canadian border to spend their money in the United States. A study tabled in my community last week revealed that $100 million was spent on the American side of the border for goods and services from our community alone.

Why are Canadians following this practice? Government policies such as high interest rates, the free trade agreement, a general cynicism, even hatred of this government, and the proposed GST are all factors.

I ask the Minister of State for Small Businesses and Tourism, who has shown at least some concern, if he will ask the Finance Minister to lower interest rates? Will he ask the Finance Minister to kill the GST? Will he ask the Minister for International Trade to revoke the free trade

agreement? Will he ask the Minister of National Revenue to offer some tax relief for the border communities of the country?

Will he take any of these actions or will he say nothing and do nothing, as he has done for the past two years?

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the U.S. Congress has passed a new clean air act, which President George Bush is expected to sign, officially, in a matter of days.

This American legislation will help reduce urban smog, emissions of toxic chemicals and the acid rain that has ravaged the lakes, rivers and forests of the United States and Eastern Canada, including the Abitibi area.

Prime Minister Brian Mulroney said, on behalf of all Canadians, that he was pleased with this American initiative, which will benefit present and future generations of Canadians and Americans.

Mr. Speaker, Saturday, the Prime Minister paid tribute to the many Canadians and Americans who worked on this bill. Today, I wish to pay tribute to the Prime Minister for the leadership he has shown, for the benefit of our country and Quebecers.

* * *

[*English*]

CRUISE MISSILE TESTING

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in January, 1988, the Canadian government said it would continue to test Cruise missiles until progress was made on disarmament.

It is now 1990 and we have seen a major change in east-west relations with *détente*, co-operation, and arms reductions. Yet, today, another U.S. Cruise missile will be tested in northern Canada.

We are now in the post cold war era, with a treaty on intermediate nuclear weapons already signed and treaties on conventional arms, chemical weapons, and strategic missiles well advanced. What then is the purpose of continued testing of U.S. Cruise missiles in Canada?

Nuclear weapons are still one of the greatest threats to human existence. On October 15, the Soviet Union reaffirmed its readiness to become a non-nuclear state, if other nuclear countries did the same. Canada should support that goal and put an immediate end to Cruise missile testing in Canada.

* * *

SCHIZOPHRENIA

Mr. Stan Wilbee (Delta): Mr. Speaker, one out of every 100 Canadians is affected by schizophrenia.

This disease uses 7 per cent of all hospital beds and is responsible for almost $2 billion in hospital expenses each year. Yet the federal government's contribution to research for this serious mental disorder is only $2 million.

Schizophrenia is a disease about which we know very little. We have some ideas about what causes it and how it can be treated, but we are nowhere near an understanding of this serious mental disorder. The amount of federal expenditure on research is out of line with the seriousness and the economic and social impact of this disease in Canadian society.

I would encourage the government to provide more funds for research to reduce health care costs and to improve the lot of those affected with schizophrenia.

* * *

MEDIA OWNERSHIP

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, on November 1 the oldest continuously published newspaper in Canada, an important institution to both the citizens of Kingston, Ontario and the people of Canada, will cease to be. The Kingston *Whig-Standard*, an independent newspaper since 1824, will be absorbed into the Southam corporate empire.

Concentration of media ownership is much more than simply a merger, an acquisition or a bottom-line statement and I caution the new owners of the *Whig-Standard* accordingly.

A newspaper of this stature is something of a sacred trust. It achieved respect for its integrity and quality of writing by diligence and hard work, but as the government's own actions prove, sacred trusts and integrity can

easily be abandoned. This development can be viewed with alarm. Something vital to civic life, news and information is becoming less distinct and less connected to the community.

It is time for the Standing Committee on Culture and Communications to live up to its commitment and hold hearings into the concentration of ownership within this and other media.

* * *

[*Translation*]

CANADIAN ORIENTATION WEEK

Mr. André Harvey (Chicoutimi): Mr. Speaker, a number of activities are taking place throughout the country to mark Canadian Orientation Week. In every region, Manpower Canada advisers will be telling students about the reality of the labour market and the disastrous consequences of quitting school. These employment officials are supported in their mission by orientation counsellors from comprehensive schools. They will be there to answer questions from students who will also have an opportunity to watch a video on the various careers open to them.

October 28 to November 3 is Canadian Orientation Week throughout the country, and the aim this year is to convince students that they should remain in school until graduation so they will be in a better position to face the future. That neatly sums up our objective, which is to help young people be fully aware of the importance of completing their studies.

Thanks to this initiative, Mr. Speaker, young Canadians should find it easier to conciliate their choice of career with the ever more internationalized labour market.

* * *

[*English*]

WOOD BUFFALO NATIONAL PARK

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the 3,200 bison in Wood Buffalo National Park are the only remaining free-roaming herd in the world.

Last February, I stated in the House that the government would be making the largest wildlife management mistake in the history of the country if it proceeded with the eradication of the Wood Buffalo herd. When the environmental panel recommended total slaughter in August, I immediately wrote to the Deputy Prime Minister and asked him to reconsider the options.

Today, the aboriginal people, particularly the chiefs of the region and the MLA for Tu Nede, Don Morin, have hopefully been successful in convincing the government that it would be wrong in doing anything but salvaging the Wood Buffalo herd.

Large questions remain about the geographical occurrences of the diseases, the genetic significance of the bison, and the environmental impact of a policy of total eradication. The ecological integrity of all national parks would be threatened.

* * *

• (1410)

GASOLINE PRICES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, there is a problem in the way gas retailers are setting their pump prices. The pump price is a reflection of upstream production costs. Consumers are aware that costs must be covered and they accept this.

What they have a hard time accepting is the method of pricing which delays the increase in the pump price until the supply has made its way through the production chain. This problem is emphasized by the rising pump prices seen throughout the lower mainland and in my riding of Fraser Valley East, while crude prices have dropped significantly. Valley drivers now pay the same as Vancouver, even though Vancouver has an additional transportation tax.

The existence of low crude prices and high pump prices is incongruous and assaults the sensibilities of the consumer. Pump pricing that reflects the price of crude is a more appropriate system. Perhaps the first in, last out method of supply pricing should be changed to last in, first out. This would prevent any misperception of gouging and ensure a measure of congruity between the wellhead and the pump price.

The industry needs to take a serious look at pricing policy. In the valley, 69.9 cents a litre is out of sync with the rest of Canada and far too high.

S. O. 31

CROWN CORPORATIONS

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, in 1988, when the government introduced legislation to privatize Air Canada, the Deputy Prime Minister said in reference to the employees: "Those people have pride in their jobs, pride in their company, and hope and confidence in their future."

Given the recent lay-offs of some 2,900 employees at Air Canada, I wonder if the Deputy Prime Minister would be so bold as to repeat his statement.

There is no doubt on this side of the House that privatizing Air Canada was not a wise move on the part of the government. The privatization only temporarily solved the airline's financial troubles. The government could have followed the lead of former Liberal governments in helping the airline restructure itself and therefore protect Air Canada's thousands and thousands of workers.

The same government is now in the process of privatizing Petro-Canada. How many more jobs are at risk? What will it take for the government to realize that privatizing in itself does not resolve financial difficulties and that it puts too many workers in danger of losing their jobs.

It is time for the government to live up to its commitment of providing employment for its citizens, instead of taking them away, especially during these recessionary times.

* * *

PREMIER OF BRITISH COLUMBIA

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, when the Conservatives were elected in 1984, the Prime Minister said Canada was open for business. Under free trade, everything in Canada is now up for sale. And guess who has cashed in on this? None other than Premier Vander Zalm of B.C. His sale of Fantasy Gardens, loosely described as a theme park, has now been approved because it is a net benefit to Canada.

The Conservative Premier of B.C. has welcomed free trade, likes selling off Canada, and now even likes the GST. His government officials have been working with Revenue Canada, co-ordinating the implementation of the GST on provincial fees and licences.

The Premier should call an election now so that the people of B.C. can comment on his record in office. You're no quitter, Mr. Premier. Call an election.

* * *

REFORM PARTY OF CANADA

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, last week the government announced plans to increase the number of independent, skilled or educated immigrants coming to Canada. This is to replace the 60,000 people leaving Canada each year and to help offset Canada's low birth rate.

The Reform Party wants to cut immigration but offers no specifics. How will we be able to keep the economy on track with a declining birth rate and an aging population? Who will pay for Canada's pensions and social programs?

The Reform Party preys on people's fears. I challenge Preston Manning to come clean with Canadians. Where would he set immigration levels? What are his policies? Why is he silent? We all know what he is against, but what is he for?

* * *

LABRADOR

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, every member of the House of Commons accepts the *status quo* as no longer sufficient to meet Canada's future constitutional needs. We all understand the need for tolerance and understanding as the nation begins the process of developing a new national consensus.

That is why I and many Canadians are disturbed by the proposals of members of the Quebec wing of the Conservative Party of Canada, as reported in today's *The Toronto Star*, to sever Labrador from the province of Newfoundland and Labrador, and to attach Labrador to the province of Quebec.

That kind of proposal does not contribute to national understanding and building a national consensus. It contributes to division.

I call upon the Conservative Party of Canada—especially the Prime Minister of Canada—to reject that approach to nation building.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

Yesterday, on a national CBC radio program, the chief government Whip, a senior spokesperson for the government, speaking about the GST said: "If anybody is going to get hurt it is the central part of this country, Ontario and Quebec, under the GST."

We agree with the chief government Whip when he says that Ontario and Quebec with their 16 million people are going to be devastated by the GST. We also believe that the rest of Canada, the Atlantic and the west, is going to be devastated by the GST.

Does the Prime Minister agree with the statement made on national radio yesterday by the chief government Whip? If he does, will he axe the tax now and not wait until it is done by the Liberals after the next election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition asks if I agree with a given statement.

I agree with the statement made by Mr. Chrétien which is quoted in *The Toronto Star* of March 5, 1990: "It would be irresponsible for the Liberals to promise to scrap the GST without offering an alternative."

Mr. Chrétien told *The Globe and Mail* two days later: "We [Liberals] cannot reasonably make a commitment that there will not be a consumption tax."

A few days later, he told *The Winnipeg Sun*: "I cannot say if I will kill the GST, or I will not kill the GST. You have to tell people where you'd get the $25 billion."

Indeed, tell us where you are going to get the $25 billion.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I ask the Prime Minister to tell us whether he agrees with only one statement, the statement made by one of his chief spokespersons, the chief Conservative Whip, on national radio yesterday when he said: "If anybody is going to get hurt, it is the central part of this country, Ontario and Quebec, under the GST."

Again, I ask him if he agrees with that statement, which is correct also as far as the rest of the country is concerned. I ask him: Will he axe that tax now and not wait until the next election when it will be done by the Liberals who will be on the other side of the House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friends on the other side would, of course, want me to examine the context in which any particular statement was made.

I have just been informed by the Whip that there was a debate going on between him and Mr. Preston Manning of the Reform Party. I would want to carefully examine the context in which it was said.

Not having seen the statement, I want to tell the House that time and time again the Whip of the Conservative Party, who is seated right here, has gone to Calgary and has defended the interests of a national, united government against attempts to hive off Canada into small regional parts. Rather than criticize the Whip of the Conservative Party, the Leader of the Opposition should be encouraging his Whip to do precisely the same thing.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Prime Minister has said that the chief government Whip took this position in Calgary. That must explain why, on the weekend, the provincial Conservatives started to divorce themselves completely from the federal Conservatives because of their dissatisfaction with Conservative policies like the GST.

[*Translation*]

And people in Quebec will wonder why the Prime Minister is not willing to deny the statement made by the chief government Whip, and I quote: "If anybody is going to get hurt it is the central part of this country, Ontario and Quebec, under the GST." If the Prime Minister does not agree with this statement, why does he not deny it? Is he going to withdraw the GST to avoid causing any harm to the province of Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the GST will generate about $9 billion worth of new economic activity across Canada. The chief government Whip was telling Mr. Manning and his audience

that Alberta would benefit the most: an increase of 2.8 per cent in economic growth compared with slightly less in other provinces, and he was perfectly justified in making the statement in this context.

[*English*]

Mr. Marchi: What about the divorce?

Mr. Mulroney: My hon. friend says: "What about the divorce?" It may very well be that the Conservatives in Alberta will find it convenient to have an exclusively provincial party. That is why the provincial Liberals divorced themselves from the federal Liberals eight years ago in Alberta, and 25 years ago in Quebec.

Mr. Jim Peterson (Willowdale): Mr. Speaker, it is extraordinary to stand here and listen to the Prime Minister say that he agrees with his chief Whip, who said that the GST was going to have the most devastating impact on Ontario and Quebec.

Is this the Prime Minister's view of nation building?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend from Willowdale should not get so exercised. He, too, should read the transcript very carefully.

What the Whip was indicating was that there will be about $9 billion of new economic activity generated in Canada as a result of the GST. It will create thousands of new jobs, many of them in Ontario. One of the chief regions to benefit will be western Canada, where there will be an increase of 2.5 per cent of economic growth in those provinces.

I think that is good news for Alberta and it is news that my hon. friend would want to celebrate.

Mr. Jim Peterson (Willowdale): Mr. Speaker, it is obvious that even the Prime Minister now realizes, because he agrees with his Whip, that there is going to be a negative impact right across this country from the imposition of the GST.

On June 8 of this year the Minister of Industry, Science and Technology said: "This government's record for industrial development has been excellent."

Manufacturing bankruptcies are up 36 per cent. Since January 1989, Canada has lost 133,000 or 6.2 per cent of its manufacturing jobs.

The only things that this government knows how to manufacture are unemployment and a made-in-Canada recession. When is this minister going to start acting like the minister for industry and insist that his government reverse its high interest rate, high dollar policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just want to correct the record for my hon. friend where he indicated that I acknowledged that there would be a decrease in economic activity as a result of the GST. I did no such thing. I have repeatedly said, including today, that there will be an increase of $9 billion in economic activity across the country which will result in thousands of new jobs in Canada.

It is consistent with the creation—

An hon. member: The lion's share goes to the west.

Mr. Mulroney: My hon. friend is talking about the west. When I became Prime Minister, the unemployment rate in British Columbia was almost 15 per cent. It is down to 8.6 per cent and 270,000 new jobs have been created in B.C., the largest since the end of the Second World War.

[*Translation*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister doesn't seem to think the comments made by his party Whip are a very serious matter. My question to the Prime Minister is, whether he would agree that his government and his Whip made a mistake and that it is not very useful in this country to have tensions between its various regions. Is he prepared to deny what his Whip said right now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is never useful for Canada to experience regional tensions. The hon. member referred to the Whip who represents a riding in Calgary. The tension generated by the Liberal-New Democrat coalition to impose the National Energy Program in 1980 almost killed the oil economy in Western Canada and had a very disturbing impact.

It was to avoid the kind of philosophy that gave birth to the National Energy Program, which in turn devastated the economy of Alberta and Western Canada, that the hon. member pointed out the differences that might exist, because this time, as a result of the GST, Western

Canada will experience somewhat stronger economic growth than certain other provinces.

This was said in a constructive way, and not in order to create tension, unlike the situation in 1980, when the hon. member's party supported the National Energy Program which had such an unfortunate impact on Western Canada.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is fascinating to have this history lesson from the Prime Minister, who was not here when that national energy fight took place, to a member who also was not here. The Prime Minister talks in the past when the people of this country are concerned about the present.

We saw last night on the CBC the tremendous concern, the tremendous hurt which people across this country are feeling. Despite the millions of dollars in propaganda, this government has still not persuaded people to support the GST.

Will this government listen to those people who are hurting so badly across this country? Will this government change its economic policies and, above all, will this government get rid of the GST?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend quite properly points out that I was not here in 1980.

Mr. Waddell: I was here, Brian.

Mr. Mulroney: I did not have to be here—and I want to tell my friend—to know that the National Energy Program was a disaster for western Canada. It should never have been inflicted on the economy of western Canada, and it never will again.

My hon. friend points out to me that the CBC had some less than flattering remarks to make about us last night. This is not new or alarming.

Some hon. members: Oh, oh.

Mr. Mulroney: The question is my hon.—

Mr. McCurdy: Oh, oh.

Mr. Mulroney: Howard, cool it. Take it easy.

My hon. friend makes the point that the GST is unpopular, and he asks me to withdraw it because it is unpopular. The answer to that is that I will not withdraw it because it is unpopular. We know it is unpopular, but we know that in the long haul it will benefit Canada. It will make for greater prosperity and greater tax fairness. At the end of the day, when the GST has passed, it will be seen to be in Canada's national interest. We are not doing it because it is popular. We are doing it because it is right.

Some hon. members: Hear, hear.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Prime Minister does not seem to realize that there is a tremendous, serious crisis of confidence in this country. Seventy-two per cent of Canadians feel that governments do not care what the people think.

Will the government not respond to this crisis of confidence by killing the one central symbol of that refusal to listen, the GST? Will you kill the GST as Canadians want you to?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is quite right in pointing out there are areas of difficulty and that we are trying to—

Some hon. members: Oh, oh.

Mr. Mulroney: We are trying to come to grips with them in a number of ways. My hon. friend makes a very emotional appeal on behalf of those who are affected. We will carefully listen and carefully respond to his concerns.

Indeed, when last I heard him in the House I was so taken by his appeal that I asked for some information, and I notice that this appeared in the *Windsor Star*, and I quote:

> When MP Steven Langdon recounted the woeful tale of Essex County farmer Paul Cazabon to a sympathetic House of Commons Wednesday it was the first Cazabon had heard of his dire financial troubles.

Some hon. members: Oh, oh.

Mr. Mulroney: It continues:

> "I don't know if Langdon got me confused with someone else or what," said a perplexed Cazabon after returning from the fields Wednesday evening. "I am still a viable farmer yet"

[*Translation*]

GREAT WHALE PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Justice and concerns the Great Whale project at James Bay. The project's infrastructure includes an airport, a road that crosses territory where Crees have rights, and a road that crosses navigable waters.

Will the minister acknowledge that she has all the jurisdiction she needs, a jurisdiction that is quite clear-cut, to insist on environmental studies for the project's infrastructure?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, the Minister of the Environment for the province of Quebec has asked for all the documentation that relates to this project, including any negative environmental impact that would occur as a result of the construction of the access roads and other infrastructure. There has been no decision by Quebec at this point to begin any work or commission any work, without an environmental review.

Certainly it is not the intention of the federal government to grant any kind of a licence or to allow any kind of work to proceed, that is associated with that project, without the federal review.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my supplementary is directed to the Prime Minister. Why does this government refuse to make a clear stand on this issue? The federal government cannot deny it has jurisdiction over airports. The federal government cannot deny it has jurisdiction over navigable waters, and the federal government cannot deny it has jurisdiction over wildlife. Does the government intend to follow its own guidelines? Does the Prime Minister intend to settle immediately the present debate in Quebec on infrastructure? Does the government intend to show the kind of leadership it has failed to show so far in other environmental cases in Canada?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, perhaps my language is not clear enough, but certainly the minister has spoken on this issue several times. The message could not be clearer. There will be an environmental review process.

The minister happens to be in Montreal today on urgent business, and he asked me to respond to questions like this one as they come forth.

There has not been the commissioning of any work of any sort. There cannot be any clearer statement than the one that has been made. Ideally the EARP process should be conducted in partnership with the province of Quebec. Failing that, there will be a full environmental review process carried out, as other Canadians and the people in Quebec would expect us to do, including any works that are associated with the dam project, infrastructures such as airport roads, and any other work.

* * *

HEALTH

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Today Canadian standards for levels of dioxins, the most toxic man-made chemical found in food, are several hundred times more lenient than those of the United States. Yet much of the food that reaches Canadians fails to meet even with this government's relaxed guidelines.

Given that the minister's own department has admitted that if the current standard were applied much of the food currently in the marketplace today would have to be removed, will the minister now confirm to this House that he does not enforce current standards and is considering ways to allow more dioxins, not less, into the food supply?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member should know that current standards with regard to dioxins are under review at the present time. There is a process of public consultation inviting participation by the public. If the hon. member would like to participate in that, we would welcome participation from her as well.

Dioxins are ubiquitous in the environment. Much food in Canada has trace elements of dioxin in it, without posing any threat to human health. The difficulty is that it is possible to discover very, very, small, minute quantities of this. If we were to take the position that no dioxins whatsoever could be allowed in any food used in Canada, we would have to ban breast milk, for example,

and throw away literally hundreds of millions of dollars worth of good, nourishing, nutritious food in Canada each year.

That is why we want, first of all, to take every effort that we can to eliminate the creation of dioxins and furans and, second, to ensure that standards which are set in Canada are realistic and ensure that Canadians have a safe and nutritious food supply.

• (1440)

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, I want to remind the minister that Canadians expect this government to lead, not mislead.

[*Translation*]

My supplementary is directed to the same minister. The minister is no doubt aware that municipal incinerators are one of the main sources of dioxin. Since the practice of burning paper and plastic together in incinerators produces a large part of these dioxins, is the minister prepared to take the necessary steps to protect Canadians from the dioxins he now allows them to burn? Is he prepared to make a commitment to provide the necessary funds to modify these incinerators and improve pulp and paper plants?

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member should know that the Minister of the Environment is working very hard to take every possible step to ensure that dioxins and furans are eliminated from the environment to the greatest extent possible.

The hon. member should also know that dioxins may be naturally generated as well through such things as fires and that one of the difficulties is that dioxins are quite ubiquitous in the environment.

The hon. member says that we should be careful to lead and not mislead Canadians. Just to be sure that Canadians are not misled, can the hon. member indicate to the House whether it is the position of the Liberal Party of Canada that any food with trace elements of dioxins in it, notwithstanding the fact this food may be nutritious and safe, should be destroyed and should be refused for sale in Canada? Is it the advice of the Liberal Party of Canada that in cases where, for example, in breast milk trace elements of dioxins could be found it would advise mothers not to breast feed? That is not the advice of the Government of Canada.

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of National Health and Welfare. Contrary to what he has just been saying, Canadian babies are being exposed every day to a dangerous chemical brew contained in their mother's milk. Even with the loosest, most poisonous standards in the world, Canadian babies face 16 times the so-called safe Canadian limits for dioxins and furans or 27,500 times higher than what is acceptable in the United States.

Will the minister, since it is well known that the sources of dioxins and furans can be controlled at source, assure the House that the tough regulations that were promised on June 16 of last year will be passed by the House this year, halting the discharge of man-made dioxins and furans into our environment and food chain?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, it certainly is our goal to halt the creation of man-made dioxins and furans.

It is important, though, for the hon. member to recognize the fact when he cites mother's milk, for example, that the levels of exposure infants are receiving from mother's milk is exceptionally low and that we are dealing with here, if we look at the threat to human health posed by dioxins and furans, is the cumulative effect over a period of time.

I want to be very careful that no member of the House, on any side of the House, leave Canadian mothers who are nursing their infants with the impression that they are not doing the best possible thing that they can for their infants. The Government of Canada encourages breast feeding. It is far and away superior to any other method of feeding an infant.

Every method that can be taken by the Government of Canada to eliminate dioxins and furans from the environment will be taken. In addition to that, there is an open process with regard to the setting of standards. If the hon. member wishes input into that we would welcome him to do so, and any other organization or any other individual in Canada can do so too.

Mr. Jim Fulton (Skeena): Mr. Speaker, with all due respect, I would suggest that the Minister of National Health and Welfare does not know what he is talking

about when he gives that kind of advice to mothers in this country.

I was horrified to learn that the federal health ministry is searching for a way to further legalize and increase the release of these toxic poisons into our food chain.

Will the Minister of National Health and Welfare assure the House that the dioxin and furan exposure limits will be made smaller and safer so that Canada moves toward zero discharge of these poisons, rather than the Frankenstein option of larger, more dangerous limits suggested by the minister in the House and by his officials outside the House?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, let me just make sure I understand the hon. member correctly. Is he saying that the position taken by the New Democratic Party of Canada is to discourage mothers from breast feeding their infants? If that is so, he should spell it out clearly because he would be doing a very serious disservice both to the mothers of Canada and also to their children if that is the position that he is taking.

The position taken by the Government of Canada is to try to eliminate the production of dioxins and furons but also to ensure that Canadians have a safe, affordable, abundant and nutritious food supply.

If the position taken by the New Democratic Party is that any piece of food which has any element of dioxins in it whatsoever must be destroyed and withdrawn from the market, the effectiveness would be to destroy hundreds of millions of dollars of nutritious food each year, drive up the price for Canadian consumers and reduce the availability of nutritious food.

Our goal is to ensure that for every Canadian, food is affordable, it is nutritious and it is safe.

* * *

GOODS AND SERVICES TAX

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Children's Hospital of Winnipeg Foundation, a non-profit group that raised $1.2 million this year for hospital equipment and health care research stands to receive only a 50 per cent rebate on its operating expenses.

My question is for the Minister of Finance. How does he propose to rectify this crack in the GST package, or does he expect some non-profit organizations, like this foundation, to work part-time collecting revenue for his department?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): On the contrary, Mr. Speaker, I would indicate to the hon. member that we have been very careful to devise a package—and I think he should go back to the technical papers and read them—to protect and maintain the capacity of municipalities and such organizations as the one he has referred to, to maintain their capacity not to be charged more tax after GST reform than they were before. This is where we stand.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, rather than the minister wanting me to refer to the technical papers, it would be very simple, he can just promise that the Children's Hospital of Winnipeg Research Foundation will not stand to suffer from its operating expenses as a result of the GST.

Volunteers and non-profit organizations have always been a vital force in helping hospitals and patients, made even more urgent now that this government has capped transfer payments to the provinces for health. Why does this government want to tax and penalize through the GST the efforts of volunteers and non-profit organizations? Has this government no public conscience?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, while reading the papers over the weekend I realized that the leader of the opposition party, not the leader in the House but outside of the House, has come up with a very secret weapon to tackle tax reform. He will form a committee.

I should warn him that he may discover the best way to go would be to follow the lead of very modern countries, like Great Britain, France, Italy, Japan and so on who have the GST. Ours is more respectful of the concerns he has expressed than any of their taxes.

* * *

INCOME TAX

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of National Revenue. Many Canadians who in the past have received

disability deductions on their income tax are being told this year that they do not qualify. Not only that, but they are being asked to repay the deductions they received in the past plus interest.

Why is the government putting the squeeze on disabled Canadians, many of whom are on fixed incomes and need this deduction, not to mention the fact that they cannot afford to make these repayments?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the government has been reaching out to people on fixed incomes and Canadians with disabilities. Someone mentions the GST. It is precisely for that reason because the existing federal sales tax, for example, is paid by low and modest income Canadians who will be receiving GST credits in that respect.

In answer to the hon. member's specific question, I can assure the hon. member that there has been no change in the policy of the government or of Revenue Canada in this regard, in that we are treating Canadians of low and modest incomes and with disability pensions in as fair a way as is possible.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the policy has changed. The minister cannot say he is reaching out if he is putting these people under undue stress. It was his government which approved the disabilities to begin with. Now it has changed its policy without even the courtesy of a further medical examination. Why is the minister defending the government's position of trying to balance the books on the backs of disabled Canadians? What is he going to do about it? When is this policy going to stop?

• (1450)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I am getting sick and tired of misinformation coming from that member on that side of the House.

Some hon. members: Oh, oh.

Mr. Jelinek: It is that type of questioning that creates uncertainty and confusion in the minds of the public.

Some hon. members: Oh, oh.

[*Translation*]

THE ENVIRONMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Prime Minister.

The American Congress has just endorsed a new clean air legislative measure. That is excellent news for current and future generations of Canadians, Quebecers and Americans. Last Saturday you paid tribute to the many Canadians and Americans who have been working for years to have this legislation in place.

Mr. Speaker, my question is this: Can the Prime Minister assure the House that the implementation of this new American law will pave the way for significant reductions in toxic chemical emissions and acid rains which have been destroying lakes, rivers and forests in Quebec, in the Maritimes and in the rest of Canada?

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, I thank the hon. member not only for his question but also for his interest in the acid rain issue. For years now he and his colleagues in this party as well as many other people have been the architects of the successful endeavour which was announced a few days ago and which will lead to a treaty between Canada and the United States.

The legislation passed last week was indeed very good news for Canada. It provides for a decrease of 10 million tons in emissions, and that in turn will reduce damages to eastern Canada lakes and forests. Mr. Speaker, I might point out that the third series of Canada-U.S. bilateral negotiations towards an acid rain agreement will take place in Ottawa this week. I had a telephone conversation with President Bush last week and both sides believe and hope that agreement will be reached as soon as possible.

* * *

[*English*]

MUSEUMS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Prime Minister.

The Auditor General, in his recently released report, has issued a stinging rebuke of this government's financial management of the construction of the National Gallery of Canada and the National Museum of

Civilization. The report cites absence of formal contracts, inadequate financial analysis, lack of reconciliation of budgets and design, and the failure to provide the cabinet with a comprehensive analysis of project costs and funding shortfalls.

In light of the 74 per cent cost overrun and the serious financial mismanagement that is highlighted in this report, what steps has the Prime Minister taken to ensure that those responsible will be held fully accountable?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would be tempted to invite the hon. member to direct his question to the Leader of the Opposition.

Of course it is very sad to see such mismanagement. The government has the duty to do everything it can to prevent it, and we are doing it. Unfortunately, there is a very sad story unfolding and we are trying to deal with it as best we can. I can assure the House that as President of the Treasury Board, I will look at this very carefully and make sure that such things do not happen again.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the Auditor General's report raises important questions about the responsibility of this government, and the buck stops there.

There are questions remaining regarding the tendering of contracts, questions about ministerial oversight, questions about financial mismanagement and questions about vulnerability to corruption. Is the Prime Minister willing to exercise his public responsibility and call for a full and independent inquiry which is the next logical step after the findings of this commission report. Will the Prime Minister not acknowledge that inextricably linked to this whole affair is the conviction to charges of influence peddling and bribery of former MP Michel Gravel.

Some hon. members: Oh, oh.

Some hon. members: Order, order.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will repeat what I have said. The contracts were granted or agreed upon before this administration came into place. It is a fact that we have been struggling with it ever since. We are trying to find a way to manage these situations in a much more responsible way. I think we have achieved that.

* * *

HOUSING

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Minister of State for Housing. It concerns the issue of MPs, such as the NDP member for Trinity—Spadina and the NDP member for Edmonton East who are living in subsidized housing.

In the case of the MP for Edmonton East, I understand he shares with four other people and that his share of the rent is less than $200 a month.

An hon. member: Incredible.

Mr. Attewell: I support the concept of subsidized housing, having mixed incomes, but surely politicians should exempt themselves from such a benefit. Since the two MPs I have referred to have refused to give up their perk on a voluntary basis, would the minister consider implementing a regulation which would bar any politician from any level of government from exploiting the subsidized housing concept?

Some hon. members: Oh, oh.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the housing programs that were put in place prior to 1984 under the former Liberal government were not fully targeted to the needy.

Since 1985, this government has endeavoured to target all of its housing funds to needy people. One exception to that has been the co-op housing program which has central to its philosophy a mixture of low and moderate income people. However, the hon. member knows that I am preparing recommendations for cabinet. I will certainly take into account the hon. member's representations as I will take into account the representations of a retiree in Toronto, Freddie Caplan, who said, "Get them out now and let the needy in".

[*Translation*]

ENERGY

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, my question is to the Prime Minister. In 1984, the Conservative government eliminated the Canadian capacity to conserve energy and develop alternative energy sources. Today the Canadian people are paying dearly for this lack of foresight on the part of the Tory government. Will the Minister make the commitment to restore to their 1984 levels the funds set aside to support energy conservation as well as research and development of alternative energy sources?

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to inform the House and the hon. member that our department is working very closely with the private sector and the provinces to review all energy programs at this time in relation to what is happening with the cost of energy in Canada today.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, in 1984, when this government cut out the NRC's energy division, it certainly did not work with the private sector, so what is the difference today? The Gulf crisis has brought home what we said in 1984, that energy policy must include programs of conservation, and research and development of alternative energy sources.

Will the minister table a comprehensive plan to meet Canada's conservation and alternative energy needs which government will support for industry back to the 1984 levels.

• (1500)

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, if we want to go back to the 1984 levels, we can talk about the National Energy Program which crippled the country from coast to coast.

The government will do its utmost, working with the private sector and the provinces, to ensure that we will come up with a program that will be beneficial for all of us.

* * *

ENERGY

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

The Minister of Finance has indicated that we are in a recession. The Minister of Energy has indicated that he thinks oil companies are good corporate citizens and he will do nothing about the price of gas. We all know that in a recession, the price of energy is one of the major contributors to slowdown and to unemployment.

Will the minister take some initiative on behalf of his government and do something about the price of gasoline?

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, said last week in this House that he had met with his counterparts from the provinces because this was a provincial responsibility. As for me, I must ensure, through the Competition Tribunal, that there is no collusion among the companies to raise prices.

I have already stated in this House, like my colleague, that we—

I wish my colleague would let me finish my answer to his question. I have indeed asked the Competition Tribunal to review and monitor the situation. It did, along with my colleague, the Minister of Energy, Mines and Resources. However, we must also compare that with what is happening at the international level. Even though I find the increase in prices in Canada unfortunate because of the pressure on the economy, we must recognize that it is a global issue and that the only thing we can do is monitor developments throughout the world. And this is what my colleague, the Minister of Energy, Mines and Resources, and myself will continue to do, Mr. Speaker.

[*English*]

PRIVILEGE

REMARKS DURING QUESTION PERIOD

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, occasionally in the House of Commons, members of Parliament make statements and questions which are not correct. I have to tell the House that I made such a statement last Wednesday, as the Prime Minister alluded today.

I suggested in a question which I put forward that a particular farmer in my constituency had lost his 740-acre farm. What I should have said was that he had lost part of his farm. I should make it quite clear that he had lost the 100-acres of his farm which he actually owned.

I want to make it quite clear that this was on my part an inadvertent misstatement of fact, but nevertheless a misstatement of fact which has to be recognized and which I clearly do recognize as such to the House.

REMARKS DURING QUESTION PERIOD

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I rise on a question of privilege to request that the hon. member for Markham—Whitchurch—Stouffville correct his remarks as they touched me.

The fact is that I have operated according to the law, the intent of the law, and to the regulations of the Canada Mortgage and Housing Corporation. I pay the market rent for the apartment that I live in which has no swimming pool, no roof garden, none of the luxuries at the Tridel apartments on Bay Street to which the government made a loan of $15,000 interest-free per unit.

My point is that I have acted according to the intention of the governments of Canada when they ask that the low income and middle income units be awarded without regard to income limits, in the same way as is done when apartments are built with government subsidies by Tridel or groups such as that.

Therefore, I request that the hon. member, who I know would not intentionally misrepresent the case, clarify his remarks to show that I have acted in accordance with the intention of the law.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I want to stand by the statement I made and the remarks. Regardless of the financial numbers involved—I do not know what he pays in rent, but surely in this day and age, when politicians are under enough attack from a number of things, a politician should just voluntarily not participate in that form of housing.

That is my view, that is my belief and I will say it again.

SMOKING IN GOVERNMENT LOBBY

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, on February 13, 1990, a matter was raised with you by the hon. member for Annapolis Valley—Hants concerning smoking in the lobbies. There was, I understand, a commitment on your part to rule on this.

It was further raised that there was substantial continued smoking in about 20 per cent of members' offices and also that the health units of the House did not have a basic statement of goals and objectives in terms of the smoking issue on the Hill.

I wonder if the Speaker would undertake to carry forward on his commitment to make a ruling on this issue raised on February 13 and to include the other two matters of the continued violation of the rules by members and a positive action by the health units on the Hill in terms of setting up anti-smoking programs.

Mr. Speaker: I thank the hon. member for intervention and I will consider carefully his remarks and report back both to the member and to the House.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to several petitions.

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees.

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

* * *

• (1510)

HOLIDAYS ACT

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C–342, an act to amend the Holidays Act (Canada Day).

He said: Mr. Speaker, the purpose of the bill in question is to repeal section 2 of the Holidays Act which states that when Canada Day, July 1, is celebrated on a Sunday, July 2 will be the legal holiday.

In enterprises such as Canada Post and other Crown corporations, when Canada Day occurs on a Sunday, the people working on that day do not get overtime, whereas those working on the Monday do get overtime, instead.

Obviously, it is a mistake in the law and it should be corrected. This bill proposes to do just that.

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

* * *

CANADA–U.S. AIR TRANSPORT AGREEMENT

REQUEST FOR SPECIAL COMMITTEE

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise at this time to seek the unanimous consent of the House to refer the subject matter of the proposed Canada–U.S. air transport agreement negotiations to a special committee of the House for the purpose of public consultation.

The special committee be asked to conduct a series of public hearings in cities across Canada and in Washington, D.C., in order to canvass the views of communities, provinces, the aviation industry, labour groups, the business community, the tourism industry, and the shipping and travelling public.

For the purposes of this reference, the special committee will be granted the powers of a standing committee of the House.

I would ask that the special committee report back to the House no later than January 15, 1991. It is also hereby provided that if the House is not then sitting the report shall be deemed submitted on the day such a report is deposited with the Clerk of the House.

Mr. Sergio Marchi (York West): Mr. Speaker, I had occasion to speak with the member who just spoke and, while we are pleased that he added an extra month to the consultation, we are pleased to support the said motion. I would like simply to say two things.

First, we would prefer that this work of consultation had happened *vis–à–vis* the transport standing committee, where it ought to have gone if the Tories were in any mood to work.

Second, this should not be misconstrued as an endorsement of the wide open agreement that the government wishes to pursue at this time in terms of amending the 1974 agreement. We believe it is important to consult with Canadians far and wide. That is why we have suggested and we are pleased that the government has seen fit to extend this to January 15, rather than report December 14. We, on this side, will support that.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too rise to indicate the support of my caucus for the establishment of the special committee to review the open skies policy consideration.

We do so because the transport committee is unable or unwilling to meet. We regret that, but that is a matter for the Striking Committee to deal with.

It is an indication that we are willing to work in the field of transport. We believe it is appropriate that there be a parliamentary review of the proposed policy of the Government of Canada, as opposed to an inhouse

bureaucratic review, which I think is where it came from in the first place.

I would also welcome the changes made, not just in the question of the date for reporting but over the course of time the wording of the resolution to ensure it is clear that we are examining the concept and in no way are we adopting the principle of the study itself.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Pursuant to Standing Order 36, Mr. Speaker, I have the honour to present a petition against the GST, especially the GST on books and newspapers.

[*English*]

This is a tax against learning and against education.

[*Translation*]

Those who have signed this petition urge the government to reject the GST.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise once again under Standing Order 36 to present a petition against this dastardly goods and services tax that the government is proposing to bring in against the people of Canada.

The petitioners in this particular petition are calling on Parliament to reject the current proposal for the goods and services tax, reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and ensure that if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, that this reform not be an opportunity for the government to impose a massive tax grab.

They ask Parliament to cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the residents of Canada representing areas of Scarborough, Oshawa, Markham, Ajax, Mississauga, have signed a petition pursuant to Standing Order 36. It calls on the House of Commons for a remedy for a very serious issue. This issue is relating to labelling on pre-packaged foods.

A few months ago, Robyn Allen, a 15-year old resident of my riding of Scarborough, passed away as a result of a very serious allergy reaction. This petition calls upon the Parliament of Canada to enact legislation amending the food and drug regulations in order to require manufacturers to list specific food ingredients and additives in pre-packaged foods.

In addition, they call on restaurateurs and food retailers to provide to customers a list of all food ingredients and additives in prepared foods.

RIGHTS OF THE UNBORN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by 25 citizens of Glengarry—Prescott—Russell, mainly residents of the villages of Russell and Navan. These citizens are asking the Parliament of Canada to adopt policies and legislation to protect the lives of the unborn.

GOODS AND SERVICES TAX

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the pleasure of bringing to the attention of the House a petition from a number of citizens of the Province of Ontario, especially the community of London, Ontario, and some of the communities in the southern part of the province.

They ask Parliament to listen to them on this occasion and address the problem of unfair taxation that is currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower and middle income taxpayers to bear more of the national tax burden.

These petitioners are calling on the Parliament of Canada to reject the current proposals for the goods and services tax, reform the taxation system so that there is an effective minimum tax on wealthy individuals and

corporations and to cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

• (1520)

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I rise both as a member and as a former educator on behalf of citizens from B.C., from Halifax, and even from my own Toronto, who are outraged at the impact of the GST on learning, books, periodicals, and other materials that are required for the development, not only of a literate culture, but of one that is steeped in democracy and understanding all the ramifications of living in one.

Mr. Speaker, on behalf of all those several hundreds who have signed this petition, I call upon Parliament to encourage the Minister of Finance and the Prime Minister to withdraw the GST on books and other educational materials.

CANADA POST

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is my pleasure, pursuant to Standing Order 36, to present petitions on behalf of the people from the district of Cardigan, mostly from the Stanley Bridge and Tracadie areas.

The petition states: considering that Prince Edward Island has a large rural population, the undersigned, your petitioners, humbly call upon Parliament to reinstate Saturday rural mail in Prince Edward Island.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, question no. 335 will be answered today.

[*Text*]

ALLOCATION OF CAPITAL FUNDING IN THE PROVINCE OF NEWFOUNDLAND

Question No. 335—**Mr. Mifflin:**

1. For the calendar year 1990, was capital funding allocated by the Department of Fisheries and Oceans for small craft and harbour infrastructure in each of the seven federal ridings in the province of Newfoundland, and, if so, what amount?

2. Is such funding planned for the calendar year 1991, and, if so, what amounts?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): 1. The Department's records are based on the fiscal rather than calendar year. Funding for the fiscal year 1989/90 including Capital and O & M for Small Craft Harbours by constituency is as follows:

	1989/90 ($000)
Bonavista—Trinity—Conception	5,586.1
Burin—St. George's	3,609.3
Gander—Grand Falls	344.6
Humber—St. Barbe—Baie Verte	2,158.4
Labrador	524.6
St. John's East	1,857.4
St. John's West	3,923.4
Throughout	3,020.4

2. Estimated expenditures for 1990/91 are:

	1990/91 ($000)
Bonavista—Trinity—Conception	2,843.0
Burin—St. George's	1,688.2
Gander—Grand Falls	1,155.8
Humber—St. Barbe—Baie Verte	1,848.1
Labrador	222.9
St. John's East	2,454.8
St. John's West	8,296.0
Thoughout	4,285.7

[*English*]

The Acting Speaker (Mr. DeBlois): The question as enumerated by the parliamentary secretary has been answered.

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETRO-CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, October 23, consideration of the motion of Mr. McDermid that Bill C-84, an act respecting the privatization of the national petroleum company of Canada, be read the second time and referred to a legislative committee; and the amendment of Mr. Lee:

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

"this House oppose in principle Bill C-84, An Act respecting the privatization of the National Petroleum Company of Canada, because it considers it irresponsible to abandon public sector involvement in the Canadian petroleum industry in the absence of a coherent Canadian federal government energy policy at a time of increasing international uncertainty with regard to petroleum supply."

and the amendment to the amendment of Mr. Harvey (Edmonton East):

That the amendment be amended by adding the following words:

"and at a time when the development and wide dispersal of alternatives to traditional fossil fuel energy sources is an environmental necessity."

Mr. Al Johnson (Calgary North): Mr. Speaker, when I was interrupted, quite appropriately, at the end of our session the other day, I had just finished recounting some of the history of Petro-Canada.

As you know, Petro-Canada now has a history of some 15 years of operation behind it. Its current situation and prospects are conditioned, to a significant extent, by that past history. Understandably, some of the high-risk frontier investments which it undertook in the early stages of its existence, in fulfilment of its energy policy role, have not yet produced commercial revenues. As a result, Petro-Canada's financial performance is now not as robust as in the case of some of its privately-owned competitors. Despite this, under the new direction that it has had, the company has become a major player on the Canadian oil and gas scene and it is now ready to face reality by placing its shares in the free market.

Petro-Canada is now a major, integrated company and it is the largest Canadian-controlled company, with the second largest proven reserves of oil and natural gas liquids and the fourth largest natural gas reserves of any company in Canada. It has the second largest refining capacity and gasoline sales in Canada, and it has established major holdings in Canada, in existing and future energy megaprojects. Petro-Canada will be a major force in the Canadian oil and gas industry far into the future. It is time for it to cut the apron strings, to stop relying on the public purse and to get on with its business in a truly competitive environment.

The reasons for my support of Petro-Canada's privatization are simple and clear. State ownership of Petro-Canada is not necessary for the government to achieve public policies' objectives. Petro-Canada needs capital to develop to its full potential and it is much better to raise capital voluntarily, through a share issue, than it is to further burden the Canadian taxpayer with debt and higher taxes to pay that debt back. When Petro-Canada was created in the 1970s, we were told by the then Liberal government that a centrally planned, state owned oil company was needed to achieve three national objectives.

First, the company was to be the great oil finder. It would increase oil and gas supplies in Canada by exploring for new sources, especially in the frontier areas off Canada's coasts and in the Arctic. Mr. Speaker, I doubt that one barrel of new oil has been discovered by Petro-Canada that the oil industry would not have discovered on its own. Second, the company was to be a window on the industry to help governments see through the corporate veil of secrecy so that it could formulate national energy policies. Policies such as the National Energy Program were a total disaster, certainly for Alberta, and in my opinion, for the whole of Canada.

Third, the company was to be a negotiator that would somehow arrange special nation-to-nation deals that would guarantee oil supplies. I have already explained what a flop that was.

In the 1990s it is clear, if it was not always clear, that state ownership of a national oil company is no longer needed to achieve such public policy objectives. The government has access to the information it requires through agencies such as the Petroleum Monitoring Agency, the Canadian Oil and Gas Lands Administra-

tion and the National Energy Board. There are many other ways for the government to ensure energy supplies through state-to-state negotiations, should they be required.

In short, there are no valid reasons for state ownership of Petro-Canada. History will decide if there ever were any, other than the desire of central Canadian Liberals to put a stranglehold on western Canada. It is a time to put things right, time for Petro-Canada to step out of the shadows and subject itself to the full light of public and investor scrutiny.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I will be very brief in my comment. I will present a question to my colleague as well.

The present chief executive officer of PetroCan suggested not three or four months ago that if the timing was not right to go ahead with the privatization of PetroCan that it would not proceed. May I suggest that the timing could not be worse. If this is not a bad time, I wonder what the chief executive officer would describe as a bad time.

I do not want to get into the prices and the pitfalls of what we are proceeding with, but I would like him to comment on that.

Going from the financial angle to the human side of things, I am told by PetroCan dealers, not only in my community but in other communities, that in some of the bigger communities the PetroCan people were told not to comment on the privatization of this PetroCan oil company that is owned by Canadians. The people in my community were told nothing at all. Is there not something wrong with that? With regard to the livelihood of these people and the future of their families, should they not have been kept abreast as to what was going to happen or what was happening to them, rather than reading it in the newspapers just like the rest of us?

Mr. Johnson: Mr. Speaker, I appreciate the comments and questions from my hon. friend from Sault Ste. Marie.

With regard to the timing, I am sure that there is never a time when he would say that it is the right time. He and his party have always wanted to have our industry, not only the oil industry, but other industries, centrally planned and controlled so that there is no ability for the public to participate directly and to be entrepreneurial in their activities. This is his philosophy. As far as that is concerned, it is a very difficult question for me to answer to his satisfaction.

However, as far as I am concerned at the present time there exists a situation where it is clear that Petro-Canada should be stepping out. There is no logic to having a company which controls only 6 per cent of the upstream resource finding in Canada, and 18 per cent of the marketplace, to be trying to use that position to leverage itself into a public policy position. There are much better levers that a government can use if it wants to, and in fact I would say that I hope it does not use them.

• (1530)

As far as the human considerations are concerned regarding the communications within Petro-Canada, I have not been personally involved in those; but knowing how major oil companies work I am sure, insofar as it has been possible, that communication has been quite full and complete within the company.

To say that there is no communication and that people do not know what has been going on is totally inappropriate because the government's plan has been well forecast and stated. I think anyone working in the company would celebrate the fact that the company is now going to expand its asset base and be able to perform more effectively in the marketplace and therefore they will have securer jobs.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I would like to ask the member a question in an attempt to resolve what I think is possibly a dichotomy; at least it certainly confuses me.

As the member and his party as the government recommend to all Canadians that the government abandon oil and gas exploration activity, abandon the vertically integrated oil company approach to participation in the marketplace and in fact abandon the whole field to the marketplace, I am curious why at the same time the government has rushed full force into the Hibernia oil development with billions of dollars in subsidies and has done it hand in hand with Petro-Canada, which maintains a 25 interest in the Hibernia oil development.

Could the member explain the difference of philosophy there? I do not understand how the government can send the whole business of oil and gas and energy policy back to the private sector on one hand and can put so many resources on its own into the Hibernia oil development, which has definitely been defined as not being a

marketplace venture. It would not exist if it were simply market forces.

Mr. Johnson: Mr. Speaker, I am very pleased to answer that question because quite frankly it is one that I am asked quite often in Alberta.

The situation is this: we cannot compare what is going on, for example, in the western oil and gas industry with what is going on in Hibernia. The Newfoundland oil and gas industry is back where the western oil and gas industry was about 30 years ago. That industry needs support for its basic infrastructure.

We have a situation where the proponents of the project are being asked in effect to build a company, to build one piece of equipment and then effectively close that factory down. To do that they are obviously going to need a subsidy. Of course we are quite sure that that factory will be there to build future units on an ongoing basis, but in order to get it started there has to be a subsidy. This is a very fair situation.

We are not providing equity investment, and I think that is very important, because we are not getting the government involved in equity participation. We have the government providing the basic subsidy and loan guarantees. This is fundamentally sound for the oil and gas industry in Newfoundland in the stage that it is at at the present time.

This is not at all different to the type of support that was given, for example, to the oil sands projects in the early days of Alberta's history where they were given special tax breaks, special royalty breaks and so on to get the industry started.

It is a very fundamental and fair comparison, one that I fully support. We are not getting the government involved through Hibernia in equity participation in the oil and gas industry.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, after listening to my hon. colleague opposite, I am wondering why the government does not use such a reasonable voice, in a more positive light, in some of the deliberations that it has. I find his presentation convincing, but I do not know if I am completely persuaded. I was tempted to ask him a question, but I did not want in any way to indicate that I was mischievous in the kind of question I would pose. He is obviously on his own in the positions that he has taken. He has pointed out some very good and solid reasons why Petro-Canada should exist. He has pointed out its success.

I might say that that success was underscored and emphasized by the head of Petro-Canada, Bill Hopper, on *Morningside* on October 27, 1990. When he was asked about whether Petro-Canada had been good for its consumers, his response—and I think I quote him accurately—was: "The purpose it served was to go out aggressively and do a lot of exploration in the frontier. That is its first purpose. It spent a lot of money, brought a lot of people with us, but we also found how Hibernia, Terra Nova, heavy oils and tar sands all have been good for Canadian oil supply."

It is fair to say that a private company could not have been as aggressive in the frontier as we have. Our purpose at the time was not to have a bottom line profit, but to find carbon resources for Canada. It did that job very well. I notice that my colleague opposite, in his presentation a few moments ago, pointed out that it had been most successful in the exploration field.

He suggested that perhaps a private sector company might have been equally successful or that the oil might have been found—and I stress the words "might have been found"—by other corporations as well. The point of the matter that it has been found under the auspices of Petro-Canada.

Even the minister who is so keen to privatize it, as reported in *Hansard* on October 10, gave his presentation as to why there should be privatization. He said:

> Clearly Petro-Canada has established itself as a major integrated energy producer in Canada—Today it represents 6 per cent of the exploration and development side of the industry and 19 per cent of the refining and marketing business in Canada.

With that kind of success, one has to ask oneself why we have to privatize. I think there is a larger question which quite frankly is about why the government refuses to use Petro-Canada as an instrument of public policy. That is really what is underlying this debate.

I think that is the reason why the minister opposite, who is following this debate diligently, after only two hours and fifteen minutes of debate—and, Mr. Speaker, if you check *Hansard* you will see that we are not off at

all—stood on a point of order and asked that we apply time allocation to this bill.

Mr. McDermid: I gave notice that I would be.

Mr. Volpe: That is right. He really wanted to give notice that he was going to do it on the very next occasion that he had because it was ruled out of order by the Speaker. He went ahead and moved a motion. The point that all hon. members ask themselves is why he would want to do that so quickly if what he was talking about was privatization, or whether he was in fact afraid of the issue of using Petro-Canada as an instrument of public policy. He knows full well that all he has to do is check our public accounts. Since 1984 the government has not spent one penny on Petro-Canada. There have been no government funds into Petro-Canada. Notwithstanding, the company has been very successful.

Mr. McDermid: Because you wouldn't give us an agreement.

Mr. Volpe: I only quoted what he said in *Hansard*. If he wants to retract what he said in *Hansard*, I am willing to give up my spot right now and have him retract everything. While he is at it, he might even go ahead and retract his bill.

He would do everybody a favour. It did not take long. Two hours and fifteen minutes is about as much time as it took for him to stand.

My esteemed colleague from Scarborough—Rouge River stood and gave a very succinct, very incisive and very thorough analysis of what was wrong with this bill. The minister opposite was shame faced and red faced when this happened. I am not referring to the fact that he was beginning to acquire a different political colour, but it is one that happens when someone is embarrassed.

I have to give credit where credit is due. My NDP colleague from a riding in Winnipeg continued in the same vein as started by my colleague from Scarborough—Rouge River and just reamed of this bill. It is poorly drawn. It is wrong. Its economic bases and financial presumptions are all distorted.

• (1540)

The fourth speaker was a member of the government side. Within a couple of minutes the minister decided that this was time to ask for time allocation. He wanted to show that we were going to stop this debate as quickly as possible. What these colleagues of ours were showing is that Petro-Canada had not been a drain on our debt nor on our deficit.

The government has been careful over the course of the last several months to talk about how to reduce the deficit. Everything is deficit reduction driven and nothing else. What happens is the minister who acknowledges that there are no government funds going to Petro-Canada says: "No, no. We have to privatize this thing".

They will start with a 15 per cent sale offering right off the bat. That sale, given the facts that are incontestable right now, will obviously bring only marginal benefit to the government deficit reduction, if any at all. In fact on that 15 per cent, the highest estimate of what it is supposed to raise is somewhere around $700 million, according to today's prices and today's values on the marketplace. That $700 million is not going toward deficit reduction; it is going back into the company. It is a great deal.

My colleague from London is looking at making a few investments. He is wondering whether this would be a good place for Canadians to go. You go ahead and buy a 15 per cent share in the company. Then you get the money back, so you automatically get a 15 per cent saving or a reduction on your investment.

This is good finances on the part of the government. There is no net benefit to the government in terms of debt reduction or deficit reduction.

What are they doing? The company is profitable. Just the other day in the House we had reference again to the financial statements of Petro-Canada, which in the first three quarters indicated net revenues after expenditures of $84 million. It is not losing money.

All hon. colleagues have their calculators out. They are going to say: "If we divide this $84 million in the first three quarters by three and multiply by four, we discover that we have about $102 million in net revenues after expenditures for 1990". That is not bad. That is a good profit. If that $100 million were to carry a loan at 15 per cent, it would probably generate another loan of $680 million.

The government says it needs somewhere around $500 million to $700 million. It has an opportunity. It can carry it on the basis of the profits it will make on this company; but the government says: "No, no, no. We have an

opportunity to raise funds differently. We don't have to borrow. What we do is sell off part of the company".

Rather than think in terms of having a government contribution, if we go a bit farther down the road we see that we cannot become too heavily indebted. The debt to asset ratio for Petro-Canada is 1.9 per cent to 8.6 per cent, so roughly 22 per cent of all of its assets are encumbered. Essentially we are talking of a very low encumbrance level for a company.

If it is true that the borrowing is tough, then when we take a look at the debt to asset ratio and at the revenues after expenditures and ask ourselves—and all Canadians have been asking themselves this with respect to privatization of Petro-Canada—why it is that one of our profitable companies, a Canadian company in which we have invested billions of dollars, a company that is doing well on the marketplace, a company that the minister stands up and says is a very productive, very profitable and very efficient company, is going to be sold off, the first offering for 15 per cent.

For those of us who are also concerned about jobs and where the government's priorities are, it is important to keep in mind that Petro-Canada employs some 8,753 employees. If we take a look at what has happened in the past with other companies that have been privatized and we refer, for example, to Air Canada and the consolidation that has taken place in Imperial and Texaco, we see a reduction because it is in the same proportion of about 2,000 men and women who could lose their jobs on the basis of the government's action. The important thing about that, aside from—

Mr. McDermid: That's fear mongering.

Mr. Volpe: It is not fear mongering. It is a little bit better than having a monopoly on mistruths which is what you perpetrate all the time.

We can leave the nonsense to one side, and take a look at these men and women who are currently earning money, are not a drain on our economy and are contributing to our tax revenues through their contributions. Many of these people are going to be put at risk because the minister says the best thing to do is to go ahead and privatize.

We must keep in mind that everything that Petro-Canada has done has been accomplished without government funds. We are confused with the government's ambivalence. We must look at whether it is thinking about exporting jobs, whether it is sincere when it says that it wants to privatize everything, whether the marketplace should dictate all of the economy and whether it is honest when it says the government should not be involved in the marketplace and let business handle the marketplace itself.

Upon careful reflection, it appears that the government is not very consistent in its position. For example, if it is concerned about the amount of money that it put into areas of private enterprise, it is instructive to know that last year some $602 million in grants and cash payouts of taxpayers' money was given to private oil companies for exploration and development. Many of those recipients included some desperately poor multinationals. One example is Chevron. This is Chevron itself, not its sister companies and not its subsidiaries. It received a mere $7,358,254 to conduct those activities. Another example is Husky Oil. It received $4,582,523. Mobil Oil, one of the companies that is a partner in Hibernia, received $5,530,492. Texaco received $6,719,515. Amoco also received grants and moneys under CIDA in the amount of $2,585,062. These amounts do not include tax write-offs and other subsidies. These are strictly cash payments.

What I am trying to get across is that we have a government that says it cannot get involved in the activities of exploration and development, it cannot get involved in the marketplace, it must give this company an opportunity to handle things on its own, but it is willing to give out these millions of dollars to private oil companies to conduct exploration and development in Canada. What is so galling about all this is—I am not suggesting for a moment that that is not bad enough—there was a further $4,100,437 given to companies that did not have enough money to set up a subsidiary office in Canada. Therefore, the money was transferred directly to their offices in the United States.

For those of us who have difficulty comprehending how much money $600 million is, it represents a $10,000 tax on every little baby that was born last year. As soon as the doctor slapped the little baby on the buns, he said, "Here you are, wake up, you have a $10,000 debt to the oil companies, thanks to the Government of Canada."

Obviously the government has a problem in deciding which direction to turn. Privatization is seemingly inconsistent with other government decisions.

My colleague pointed out a few moments ago that in the area of oil and energy development, the government is willing to put up the $600 million that I just cited. Look at what else it does with respect to Hibernia. There is $1.6 billion in subsidies and loans to Hibernia and a further $1 billion in soft loans. I do not think its rationale for that was contested by many of us. In fact I accepted that policy and the government's action on Hibernia because I saw it as an instrument of public policy and something that should be applauded.

• (1550)

For example, the minister of energy says that the Hibernia project is critical if we want to be energy self-sufficient and shield ourselves, if not in price, at least in terms of supply from events in the Middle East.

The head of Petro-Canada, as a follow-up, says that only one-third of the production might find its way to Canadian refineries, which happen to be ill-equipped for the processing waxy crude. Both he and the minister expect that there will be technology transfers to Canada and that Canadian entrepreneurs might seize the occasion to develop the kind of technology that will provide for any new developments that might come out of the Hibernia deal.

If the government is using Hibernia to carry out job and economic diversification in Newfoundland and in the maritime economy and if, as the government says, there are spin-offs for industries in Atlantic Canada, why does it not apply the same kind of thinking to a mechanism that is already there at its disposal? Why not, for example, use some of the moneys available to encourage some of the refineries that currently have difficulty processing the waxy oil that is going to be coming out of Hibernia.

I guess one is left to conclude that perhaps the government is missing an opportunity and it is going in the wrong direction at the wrong time. What the government might be doing, what it should be doing, is taking a look at Petro-Canada and using it in the area of conservation and energy efficiency, not merely energy development.

The privatization demonstrates a lack of understanding of the government's role in sustainable development. We have discussed in this House over the course of the last several weeks Bill C-78 and the implications it has for sustainable development and the environment.

In the area of sustainable development what is needed more than anything else is co-ordination of energy processes and end use. That is paramount to ensure success. The government cannot leave the development of energy and environmental impacts to the disinterested, fractionalized private sector. The private sector is essentially that.

To leave those two areas to the private sector would run counter to the government's long stated objectives under the Green Plan. It turned thumbs down to the environmental committee's findings about threats to the environment globally and to the western economies, and in particular to our own.

Energy, especially that which relies on fossil fuel and carbon consumption, will be responsible for approximately 50 per cent of global warming over the next 40 years. Conservation efficiency is going to be absolutely crucial in curbing that global warming and its threats both to our environment and to our economies.

Climatic change and environmental degradation is an energy issue, and the government's privatization indicates that it is willing to wash its hands of the use of any instrument that could help in alleviating that problem.

I spoke the other day about some of the items that might draw the attention of government if instead of concentrating on privatization it was to become seriously involved in the efficient use of fuels available and in the development of alternative substances—and I might be able to do that in the question and answer period coming.

Mr. Speaker, Petro-Canada can play a leadership role in energy efficiency. That is less expensive than expending energy supplies and it promises more optimistic views for limiting CO2 emissions. In fact, more than anything else, there are proven economic consequences for those who provide a national effort to improving energy efficiency.

There is a reduction in oil imports, which will drive down manufacturing costs and gain a cost advantage in the international markets. For that we need a national competitive strategy where increasing energy efficiency will permit shifting of expenditures from energy consumption to productive investment.

Mr. Speaker, I see that you are motioning me to end my brief introduction, and I will do that.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I merely would like to comment. Why should Canadians buy a company in which they have already invested billions of dollars? In any case, when Petro-Canada was created, we never found out how much this cost Canadians. We were never informed in Parliament about what went on during those negotiations. Why should we keep this company? Since Petro-Canada belongs to the State, taxpayers had to pay the cost without necessarily sharing in the benefits. Public participation by all Canadians means leaving it up to Canadians themselves whether they want to invest in Petro-Canada.

Mr. Speaker, I was taking notes, and in fact, Canadians as shareholders will be able to comment by using their voting rights, electing the members of the board of directors and holding them accountable for the company's productivity. Furthermore, investors will be able to sell their shares when they feel like it, which is unthinkable in the case of a Crown corporation. We are never in control of a Crown corporation, Mr. Speaker. We have a good example of that in Abitibi, where we have corporations like Canadian National and VIA cutting railway lines. We have no say in the matter and we don't even know how much money they are spending. That is why Canada, the Government of Canada, the Prime Minister of Canada, and all of us here who run this country believe it is high time we sold Petro-Canada.

The Acting Speaker (Mr. DeBlois): Would the hon. member for Eglinton—Lawrence care to comment?

Mr. Joseph Volpe (Eglington—Lawrence): My reaction is the same as that of all Canadians, all residents of this country when they hear remarks of this kind.

[*English*]

I can see why Canadians feel frustrated that their governments are not using the tools available to them. As well, with the intelligence that is acknowledged that members of Parliament have, how can the hon. member for Abitibi say that we have to make Canadians shareholders and that we are not giving them any benefits from all of this, when members from his own caucus, including the minister, point out that Petro-Canada has been absolutely fundamental to the exploration and development of Canadian energy?

Second, if he has a problem with what Petro-Canada has been unable to do, what he should do is stand up in his caucus and give direction to his ministers. He should say: "Listen, we have the tools, let's use them." Mr. Speaker, you cannot blame Petro-Canada for not accomplishing what you have decided it shall not accomplish.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I listened with great interest to the hon. member.

I guess he would want to have his facts straight. First of all, there are 6,568 employees and not some 8,000, as he rhymed off in his speech. If he checks the briefing book that was supplied to his critic, the accurate numbers are there. I do not know where he got his numbers.

Second, the hon. member obviously is displaying to the House his philosophical differences. If a business or a Crown corporation is making money, then keep it. If it is not, get rid of it. That is the philosophy over there. I am not sure why he has not explained this today.

We get rid of Crown corporations if there are two questions answered. The first is, do they serve a good public policy purpose? The answer is no. Second, can they make it in the private sector? The answer is yes. Then they are a candidate for privatization.

Petro-Canada does not serve a public policy purpose. It does not have to serve a public policy purpose. The Government of Canada can very easily carry out its energy program. The hon. member rhymed off some facts and figures today of where we have helped in Hibernia, as a government, to bring on a resource off the shores of Newfoundland.

We did that as a government by participating, not because it was through a national oil company, but in fact as a government.

He also rhymed off Texaco, $6 million; Chevron, $4 million. The hon. member does not know a thing about the energy industry. For example, $1 million a day is spent on the rigs that are exploring in the Beaufort. That is the expense. This member is talking about companies getting $6 million and $4 million in grants and so on.

That is pretty small stuff compared to what companies are spending on exploration.

• (1600)

Had he been around here during the famous National Energy Program, when the Liberal government was handing out PIP grants to companies like candy to a baby, then he would not be quite as arrogant in talking about supporting an industry and doing some good exploration work.

Mr. Volpe: Mr. Speaker, I know that the hon. minister opposite is probably going to go back to his office and lash out as his assistants because he is paying them a substantial money and they forgot to take a look at the Public Accounts in order to come up with the figures that I came up with. If he is sending out information that is different, then he should make sure not only that he has got his staff doing the job that he wants them to do, but also that he is sending out accurate information to the general public.

The minister opposite thinks that, again in Public Accounts, the $6 million, $7 million, and $5 million that add up to $602 million just last year is penny ante. He probably will not like it, but there are a lot of unemployed people in Atlantic Canada, in fact all over Canada, who would dearly love to be able to use the argument that he used in my regard about knowing the problems of the people who are in private enterprise, in the marketplace and who have a difficult time trying to make ends meet. The government is going to come in and give $602 million because it understands how this happens. They understand that you need money in order to get equipment. They understand that you need money to build up equity. They understand that you need money in order to go ahead and hire those who are going to work for you, so that you can then turn a profit and then hire your accountants in order to ensure that you pay no taxes.

If the minister opposite would just get his staff to do a little bit of their homework for him so that he would not embarrass himself and the government before the members here, then we could talk about what Petro-Canada ought to do. I indicated in my speech that Petro-Canada ought to get into the business of energy efficiency.

The other day I pointed out, for example, that just in the area of consuming waste oil, crank-case oil and motor oil, and applying the technology that is already available, we would have an opportunity to free up approximately $1 billion for investment.

If the minister opposite would also acknowledge that for every million dollars of investment we have the opportunity to create some 46 jobs, then that $1 billion of released funds for investment would create 46,000 jobs. If he believes in creating jobs, putting Canadians to work, and making sure that government money is used properly and using the instruments available to it, then he should get off his royal chair. We might get him to do his homework before hand and talk about how we would best use an instrument that is vital to public policy to Canada. You are not going to talk about an instrument that is incapable of doing something, the moment that you hand shackle it and tie its hands, the moment that you decided that you are not going to allow it to do what it can do.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I congratulate my colleague for his analytical speech. We on this particular side of the House would almost welcome him over here. I thought perhaps he was a Democratic Party member the way he was speaking.

I am sure that he would remember, since he a bit of an expert in this area, that the formation of Petro-Canada was done at the behest of the New Democratic Party. I am just wondering about the Liberal philosophy.

Is the Liberal philosophy one of government intervention and public ownership? I know that the Liberals are somewhat flexible in some of their philosophies. Would the hon. member make comments on that and very briefly comment on what he sees as the future for Petro-Canada? I think he has about 30 seconds to do that. What will happen to the future of Petro-Canada?

Mr. Volpe: Mr. Speaker, I do not know if I could be brief enough to satisfy the member over to my left. I thought he was beginning his debate. I thought that he wanted everybody to be rigid and brittle like the members of the government side.

If there is flexibility, it is suggested that we do see a role for Petro-Canada as an instrument of public policy.

That is why I began my debate by saying this is a question of why the government does not want to use Petro-Canada for what it can represent, an instrument of public policy. We have seen inconsistencies of that kind of thinking, both with Hibernia and in other areas.

That is why I took pains to do homework that the minister does not think is necessary if one is going to fulfil a job in the House. But I did homework in order to illustrate that there is an opportunity to establish Petro-Canada as an instrument of public policy. It has nothing else to do with anything else. If one wants to use it as that, then, fine, go ahead and give it the tools that is required to do its job.

If one does not believe it should be an instrument of public policy, then divine all kinds of excuses for ensuring that it does not take place. The minister opposite has given all kinds of reasons why one should believe him.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Jonquière.

Mr. Jean-Pierre Blackburn (Jonquière): Thank you, Mr. Speaker. I also listened carefully to the hon. member for Eglinton—Lawrence, and is there anything more eloquent than figures? In 1989, Mr. Speaker, Petro-Canada profits were $31 million. Not bad, I would suggest. But sometimes it is better to make a comparison to find out just where the comapny stands. For the same year, 1989, Shell profits were $219 million, seven times bigger that Petro-Canada's. Now the profits of a tiny little company, Imperial Oil, during that same year: $456 million, or 15 times more than Petro-Canada.

Well, Mr. Speaker, you can understand that when I read an article by newspaperman Shawn McCarthy in today's *Toronto Star* who quotes the words of none other than Petro-Canada Chairman and Chief Executive Officer Hopper as follows:

[*English*]

> Instead of looking to the government for money and direction, Petro-Canada is to look to the private sector instead.
>
> "I am excited about the years ahead,"—

[*Translation*]

That means he is encouraged, he is excited about the years ahead. Those are the words of the Chairman and Chief Executive Officer of Petro-Canada.

[*English*]

> —Hopper told a Senate hearing last week. "The coming privatization of Petro-Canada will give us the financial flexibility to pursue these opportunities and more."

[*Translation*]

In other words, privatization will give them an opportunity to expand.

Mr. Saint-Julien: Right on.

Mr. Blackburn (Jonquière): But that is not the way the opposition looks at it. As far as they are concerned we should leave well enough alone. For their information, here are the figures again: Petro-Canada made a profit of $31 million, against Shell's $219 million and Imperial Oil's $456 million. Mr. Speaker, it is passing strange that profits in the private sector appear to be definitely better than those of a Crown corporation. It must have been sheer luck, Mr. Speaker.

Well, Mr. Speaker, allow me to lend my support to a piece of legislation enabling the Canadian government to sell to Canadians some of its shares in Petro-Canada. Mr. Speaker, the first offering estimated at 15 per cent will yield $500 million, the kind of money Petro-Canada needs to make new investments. I made my choice for specific reasons. State-owned Petro-Canada does not help achieve our public policy objectives. The company needs a cash inflow to exploit our oil and gas reserves. As an example we have the Hibernia project in which Petro-Canada will be involved, not to mention Terra Nova which is still in the planning stage.

• (1610)

A public share issue is a far more acceptable way of raising funds than raising the deficit or raising taxes, in order to consolidate the corporation's capital. Let there be no mistake, Mr. Speaker. Petro-Canada needs money for new investments, such as research on new oil products and gas exploration. If the corporation needs money, we have two choices: since this is a Crown

corporation, either we give it the funds, and to do so, we have to take that money from the taxpayer; or we do an accounting procedure and increase the debt. I imagine the opposition knows what that debt is. The government's cumulative debt is $315 billion.

Mr. Saint-Julien: Because of the Liberals!

An hon. member: And the Conservatives!

Mr. Blackburn (Jonquière): Those 350 billion cost us between ninety-five and one hundred million per day in interest. That's not peanuts! That is a lot of money, $100 million a day in interest! Imagine how much more we would be able to give in the way of family allowance payments, old age pension and new services for Canadians—

An hon. member: We could built hospitals.

Mr. Blackburn (Jonquière): —if we didn't have the deficit. So I would like—

An hon. member: How much was it in 1984?

Mr. Blackburn (Jonquière): In 1984, it was $200 billion.

Mr. Saint-Julien: Marc Lalonde certainly helped to raise it!

Mr. Blackburn (Jonquière): Two hundred billion dollars.

And now, I would like to talk about Petro-Canada's role. I notice, Mr. Speaker, that the opposition is anxious to comment. I may remind the opposition that $200 billion at 10 per cent means an extra $20 billion annually. This is $20 billion the government has to take from the Treasury to try and pay off the debt. And you know perfectly well that draconian measures are needed to put this economy back on track.

Mr. Volpe: You forgot?

Mr. Blackburn (Jonquière): The hon. member for Eglinton—Lawrence can always have his say later on, Mr. Speaker.

When Petro-Canada was created in 1975, the previous government told us that a publicly-owned oil company was needed to achieve three objectives on behalf of Canadians. This is what it said: First of all, the company was to increase supplies of available oil in Canada by exploring for new sources, especially in the frontier areas off Canada's coast and the Arctic. That was the first reason. The second: the company was to be a window on the industry, to help the government formulate national energy policies for Canada.

I would venture to say this does not hold water. The information available to the Department of Energy, Mines and Resources is more than sufficient. Furthermore, information on exploration of our energy resources is also collected by the Canadian Oil and Gas Lands Administration and the Petroleum Monitoring Agency.

The third reason, Mr. Speaker, evoked at the time by the Liberal Party, was that the company was to be a negotiator that would arrange nation-to-nation deals that would guarantee oil supplies. Interestingly enough, Mr. Speaker, during the past 14 years, Petro-Canada concluded only one international deal, and that was in 1979 with Mexico. This despite the fact that it was one of their main conditions, one of their selling points at the time.

Mr. Speaker, obviously, public ownership is no longer necessary in order to achieve the objectives of public policy in the 90s. Our country now has a more enlightened understanding of the extent of our frontier reserves and their development possibilities. We must not forget that Petro-Canada represents only 6 per cent of our income from up stream oil and gas activity in Canada. Furthermore, our government has other cards to play when the time comes to negotiate trade agreements with other countries.

Briefly, the initial reasons that favoured State ownership of Petro-Canada have now become obsolete. Let history be the judge whether they were ever otherwise.

Today, Canada's energy policy must acknowledge that Canada's economy is an integral part of the international market. The attempts of previous governments to insulate us from this fact were unsuccessful.

We all agree that energy markets should be able to respond to changes in supply and demand.

This policy is good for Canadians because it provides the basis for expanding our resources and for setting competitive prices for consumers. When the government intervened, it was in order to promote energy mega-projects, whose costs and risk factors were an unsurmountable obstacle for the private sector. Things have changed, however. Petro-Canada has a role to play in developing Canadian energy reserves, not as an instru-

ment of government policy but as an active and competitive company in the private sector.

Petro-Canada is one of hundreds of oil and gas companies that got involved in this major activity. We must not forget that. I repeat, Petro-Canada represents about 6 per cent of exploration and development activity in Canada. We must also remember that developing these resources requires a lot of money.

As the chief executive officer of Petro-Canada said, the corporation can no longer develop our energy reserves without increasing its debt to dangerous proportions, unless it acquires additional funds to consolidate its capital base. I may remind hon. members that Petro-Canada's debt today is $1.2 billion. Clearly, if major investments ae necessary and this debt is increased, we are putting the corporation in a very difficult situation.

Without new funds, Petro-Canada will not really be able to play the role it was meant to play. This situation leaves the government, Petro-Canada's present shareholder, with three options.

First, it can ignore the problem and hope the corporation finds its own way. Petro-Canada will have to choose between the risk of financial instability, selling assets and changing its profile or reducing exploration and development activities.

The second option is that the government can provide for Petro-Canada's financial future, but to do so, as I said earlier, it will have to increase its deficit, raise taxes or reduce certain programs, if it selects this option.

The third option: the government can invite Canadians to become directly involved in the company's activities by purchasing shares. By putting Petro-Canada shares on the public market, we offer every Canadian a chance to acquire part of this great oil company and to share its future. More importantly, perhaps, we are ensuring at the same time that Petro-Canada gets the financing that it would not get otherwise.

Mr. Speaker, as our minister for Privatization mentioned, both the consumers and Petro-Canada will be better served if we allow Petro-Canada to raise fresh capital directly from the investors instead of its continued reliance on the Canadian people. Let us look at a few success stories. Canadair, Teleglobe Canada and Air Canada were privatized. And now, Mr. Speaker, we can read in The Daily from Statistics Canada that the staff of the public companies in the federal government decreased 18.7 percent to 198,000 in June of 1989 and to 161,000 in June 1990, mainly because of the privatization of companies such as Air Canada and the rationalization of others, such as Via Rail, Petro-Canada and CN.

Given the various options available to us, I think that the Canadians will agree. Maybe not unanimously, because it is impossible for either the Liberals or the NDPers to support us. It is not unlike a religion, Mr. Speaker, to be a Liberal. I could see people yesterday standing up to greet Mr. Chrétien, who aspires to be elected to this House soon. One day, he told us: "It would be nonsense to oppose the GST with no alternative to propose." A week later, he told the Senate: "Do your best to block the GST. " And a few days after that, he said: "Elect us and we will abolish the GST."

• (1620)

Mr. Speaker, this represent $25 billion in government measures. How can this man speak from both sides of his mouth, saying one thing one day and something else the next?

It is unbelievable to see—

Mr. Volpe: That religion!

Mr. Blackburn (Jonquière): Yes, that religion the Liberals continue to use and spread before Canadian men and women.

Petro-Canada is part of a dynamic and competitive industry. If we want to help it meet its competitors head on, we must provide it with a reliable source of new capitals. It is no longer acceptable for this corporation to dig into Canadian taxpayers' pockets. Privatization will give Petro-Canada direct access to another source of capitals, namely, private investment.

This initiative will strenghten the corporation by allowing it to raise capital to continue the job it is doing best. Privatization will give Petro-Canada the financial flexibility it envies its competitors, as well as an access to new capital without increasing the fiscal burden of Canadian taxpayers.

By limiting the aggregate holdings of foreigners, we can achieve all these objectives while ensuring that Petro-Canada remains under the control of Canadians.

Mr. Saint-Julien: Not under the control of the Liberals!

Mr. Blackburn (Jonquière): Absolutely not!

There would be a price to pay for maintaining the public ownership of Petro-Canada. The first victim of such a decision would be the corporation itself, with greatly diminished powers. Moreover, middle income Canadians would bear the costs for such an option by way of tax increases, a bigger deficit based on the figures I quoted earlier—an accumulated debt of $350 billion with $100 million in daily interests—or a further reduction in public services. Such a decision would prove detrimental both to Petro-Canada and the Canadian people.

Mr. Speaker, such are the reasons why I support this new legislation and why I am against the amendment moved by the Hon. Member for Scarborough—Rouge River, as well as the amendment to the amendment moved by the Hon. Member for Edmonton East. The amendment moved by the Hon. Member for Scarborough—Rouge River reads:

> "this House oppose in principle Bill C-84, An Act respecting the privatization of the National Petroleum Company of Canada, because it considers it irresponsible to abandon public sector involvement in the Canadian petroleum industry in the absence of a coherent Canadian federal government energy policy at a time of increasing international uncertainty with regard to petroleum supply."

It is important to know that as far as oil price is concerned, Petro-Canada has always responded to the markets ups and downs. That is the difference between the Liberal Party, the New Democratic Party, and our Party: We want private enterprise to have the upper hand in Canada. I repeat the figures, Mr. Speaker: Shell's profits last year were seven times those of Petro-Canada, and those of Imperial Oil were fifteen times those of Petro-Canada. Private enterprise does not work or function the same way as public organizations, there is profitability.

Look at what is happening in Russia, Mr. Speaker. What is Mr. Gorbatchev doing? He is scratching everything that is publicly owned to give it back to the private sector. He is even inviting Canadian businesses, such as large engineering, accounting and tax consultants to go to Russia to set a model following the one we have here in Canada, the one that is applied in the United States and other countries. It is bankruptcy of a system opposed to the one of private enterprise that proved itself and continues to prove itself in our country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I listened very carefully to what was said by the hon. member for Jonquière. Unfortunately, I don't think he is to be commended for his speech. I do not mean to say the hon. member was not eloquent. However, this speech was somewhat lacking in substance. For instance, the hon. member said that Petro-Canada failed to fulfil its mandate. Since the Canadian government is supposed to run this country, I think the hon. member should have the honesty to say that it was the government that let Petro-Canada drift during the past four or five years, without anyone at the helm. If the hon. member thinks Petro-Canada lacked a firm hand, I think there should be some breast-beating by the Conservatives opposite and the hon. member who just told us that Petro-Canada did not fulfil its mandate satisfactorily. After all, he said it. However, I am not sure I would agree with this analysis.

The hon. member argued that proportionally speaking Petro-Canada had fewer profits than Shell. He told us that Shell's profits were seven times those of Petro-Canada, and Imperial Oil's profits were 15 times as big. I would like to ask the hon. member opposite: since when are Crown corporations competing to defraud the consumer? Why are we here? Aren't we here to protect the consumer? Certainly not to make bigger profits as a Crown corporation, at the expense of those we claim to defend! I think the hon. member opposite owes me an answer on this particular point. The Minister of Labour just told us he doesn't think this is a good point. Mr. Speaker, I realize that protecting consumers is not one of the government's priorities. However, I would urge the hon. member to respond to this comment, and I wish he would tell us why, because he still hasn't said why— He told us: why shouldn't we sell Petro-Canada? He never said: why should we? why not keep it?

Mr. Blackburn (Jonquière): Mr. Speaker, Petro-Canada is using my money, it is using the money of the people of the Jonquière riding and the people of his riding.

An hon. member: Laval.

An hon. member: Laval-East.

Mr. Blackburn (Jonquière): It is using every Canadian man and woman's money. With it, it went to compete with Shell and with Imperial Oil. I will repeat the figures for you. With our money, the profit was only $31 million while Shell, with its own money or its shareholders' money made $219 million, that is, seven times more. Imperial Oil's profits were fifteen times those of Petro-Canada.

I also want to remind the hon. member that the government cannot interfere with the management of the daily affairs of a Crown Corporation.

The hon. member wants figures. Here are some. He thinks it is not good enough to compare profit figures. Let us assume he is right and that this measure is not adequate. So let us look at the return on capital. Would the hon. member agree that the return on capital is a good measure? He does not say anything now, Mr. Speaker. Here is what today's *Toronto Star* has to say about it: During the past 10 years, Petro-Canada's return on capital was 1.97 per cent as compared to 7.93 per cent for Imperial Oil and 6.91 per cent in the case of Shell. Here are the return figures. Does that answer the question of my honourable colleague?

• (1630)

Mr. André Harvey (Chicoutimi): Mr. Speaker, my Liberal friend has just told us that the intervention by our colleague from Jonquière was lacking in substance. I, on the contrary, want to congratulate him on a very well_prepared speech, Mr. Speaker.

Some hon. members: Hear, hear.

Mr. Harvey (Chicoutimi): For a Liberal to say that an intervention by a Conservative member is lacking in substance smacks of insolence, not to say rudeness, especially since his leader told us last weekend that he would only get ideas in two years. This statement shows a lack of seriousness and is therefore totally unacceptable.

Interestingly, while my colleague was speaking, some Liberal members were asking him about the debt after he reminded us that it amounted to $200 billion in 1984. It has now reached $350 billion but the difference is due to an 80 per cent increase in interest on the debt accumulated during the Liberal follies of the 70s. This is the reality, Mr. Speaker!

Our privatization policy must be examined in a context which our Liberal friends are having trouble understanding, i.e. the whole issue of budget control. In the last six years budget increases have not exceeded 2 or 3 per cent, compared with 12 to 19 per cent when the Liberals were in power. We have made enormous progress and it is in this way that we will bring the federal debt under control.

Members of the Liberal Party do not really understand the relationship between budget, fiscal and monetary policies. Privatization is an essential element of the progress this government is making across the country. Therefore, I hope this policy will be pursued because it is an important part of our future.

To reassure our Liberal friends, I would like to ask my hon. colleague whether he thinks privatizing Petro_Canada will have a negative impact on consumers by causing price hikes and leading to industrial concentration.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, it is important to note, first of all, that nobody will be able to hold more that 10 per cent of the shares of Petro-Canada, which will prevent concentration of a large number of shares in the hands of one individual. I think it is very important, as the fact that not more that 25 per cent of the shares will be allowed to be owned outside of Canada.

Those are valuable points. As I said, Mr. Speaker, the 15 per cent part of the shares we are selling this year to the private sector, as a first offering, will bring in $ 500 million that will be handed over to Petro-Canada to enable it to make those first investments.

[*English*]

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I do not think there is any question in the public's mind and those who are watching on television that really what the Conservatives are up to under this plan to privatize Petro-Canada is actually to attempt in some way to rewrite a lot of Canadian history and to destroy a lot of the institutions that many of us have come to recognize as part of Canada.

I was just out in front of the buildings today talking to some people. They were saying that for many new Canadians who come to this country part of the video that they are shown so that they can get an understanding of this country is of a Petro-Canada service station, a

symbol we have all come to recognize and understand, something that this government is attempting to destroy to create a Tory blue institution across the country.

I wonder how much participation the member has in Petro-Canada with a Petro-Canada credit card. Second, is it the government's intention to recall all Petro-Canada credit cards and reprint in Tory blue so that we all have to run around and remember the damage that this government has done to this country?

[*Translation*]

Mr. Blackburn (Jonquière): I thank you, Mr. Speaker. I fail to see what a question like that has to do with anything here, that is how much gas I buy from Petro-Canada, from Shell or from Esso. What does that have to do with the debate, Mr. Speaker?

Canadians all across the country are free to deal with whatever gas station they prefer. So, if he has anything to say about that it might be interesting to find out how many New Democrats fill up at Petro-Canada!

[*English*]

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I must say that I am pleased to rise in this debate to oppose the privatization of PetroCan.

I was interested in some of the debate that went on prior to the question and comment period about the comparisons between Imperial Oil and Shell Oil and the comparisons between the various levels of profit. I think probably more went unsaid in those comparisons than was said. Those companies are essentially quite different companies and operate in quite different areas. Shell Oil and Imperial Oil, long established companies in this country, hold lands on which very little in the way of royalties have been paid over the years.

Many of these lands became producing lands back in the 1940s and even earlier, whereas a new company like PetroCan is often forced to take its exploration activities out into the more expensive areas of the country. The costs in those areas are very much higher, but it has been an advantage to Canada to have that company operating in order to extend into the frontier areas so that oil can be brought into production that will benefit all Canadians.

I am opposed to this act which is essentially just another series of acts designed not to serve the national interests in Canada, the national benefit to Canadians or serve an economic need of Canadians. They are simply to serve the fundamental tenets of Conservative ideology. One is a statement that the Prime Minister was once suggested to have made: "You dance with those you come with." What he meant by that was since the oil companies essentially paid his campaign fees, there is a return benefit that has to go to the oil companies in this country.

Essentially, that is what we are doing today. We are not serving the national interests of Canadians. We are not serving the interests of Canadian energy policy. We are not serving the interests of energy consumers in Canada. We are fulfilling a campaign promise that was implied when the oil companies put the money over the counter in order to finance the Conservative campaign.

It was interesting how the campaign donations of oil companies have changed over the years. Whereas they used to contribute a great deal to the Liberal Party, the Liberal Party's sources from oil companies seem to have dried up after the establishment of Petro-Canada. The greatest beneficiary of that transfer of funds was the Conservative Party. What we are doing here is that we are delivering the pay-off, at the cost of the people of Canada, for the Tory campaign funds. It is going to be financed by the people of this country.

What is going to happen when this oil company is privatized for ideological reasons, basically? This government and this political party do not believe that the Canadian government, the people who represent all Canadians, should have any economic power with which to assist Canadians as a kind of countervailing authority to the power of the huge corporations and the huge financial institutions that really form an oligopoly in this country.

I think anybody who has read the document by Diane Francis, *Controlling Interest*, will know that something like 50 per cent of the total assets on the Toronto Stock Exchange are controlled by eight or nine families in this country. In the case of this sale, ten families could buy

the full amount of the shares. However, in this case we are again serving the interests of that oligopoly with its control and stranglehold on the economy of this country.

• (1640)

Mr. McDermid: What have you got against Canadian families?

Mr. Skelly (Comox—Alberni): Petro-Canada had a terrific advantage to the people of Canada when it was in the hands of all Canadians. It has been in the hands of all Canadians. Every Canadian, by right of citizenship, by right of being born into this country, had an ownership interest in Petro-Canada, in our national oil company.

The reason for that is that they had the right to elect people to this House of Commons, people, who should they become government, could direct that company in support of the policy objectives that people in Canada wanted to see followed. Once this company is privatized, not every Canadian family, not every Canadian, will have the ability or the wherewithal to purchase this company. Like other companies in Canada, the ownership will be tightened and more closely held until finally it is out of the hands of Canadians altogether, beyond the influence of ordinary Canadians. It will function just like any of the multinational oil companies in this country that operate on an oligopolistic basis because they are tremendously powerful. They are powerful both as representatives of world-wide parent companies and powerful in the way they elect governments and influence energy policy or prevent changes to energy policy which would be beneficial to Canadians and beneficial to the environment.

This company is going to end up being something like what we saw with de Havilland of Canada, because the government used very much the same kind of arguments in privatizing de Havilland of Canada.

Mr. McDermid: Fifteen hundred more employees there now.

Mr. Skelly (Comox—Alberni): What the government said was that it had an opportunity to make a profit but that development costs were going to be extremely high. For us to get into the market for the Dash-8 and Dash-7 aircraft it was going to be very expensive. The company needed to be able to generate the capital to raise that money to put those aircraft into full production and to sell those aircraft.

What did it do? It sold de Havilland to the biggest corporate welfare recipient in the whole world, the Boeing Aircraft Corporation of the United States that lives of the public dole in the United States and has done so ever since its founding years and years ago. It sold a Canadian company to a company that is really a state financed company in the United States. It did not even respect its own ideology in this regard.

What is going to happen to de Havilland Aircraft Corporation now? Boeing is selling it again and it is going to become a state corporation again. This is strange ideology when they sell it to L'Agence aérospatiale it is going to become a French state corporation. This is a company that the government said was going to be sold to encourage the development of the aircraft industry in Canada. Exactly the opposite has happened. It is now owned by a French state corporation.

Let us look at what some of its other successes in privatizing the various companies have been and think of the promises it has made prior to the privatization of these companies. I think of All Routes Transport, an operating entity of the Canadian National Railways. It was subsidized and ended up being sold to an Ontario policeman who did not even have the wherewithal or the credit rating to get a Visa card. Where is All Routes Transport today? It has gone bankrupt. The properties have been absconded with and some of the principals are living off the proceeds down in the United States. These are some of the successes of Tory privatization strategy. We hear a great deal from the minister responsible for privatization about the advantages that these kinds of privatization projects will bring to all Canadians—

Mr. Della Noce: You did not say anything about Canadair in Montreal.

Mr. Skelly (Comox—Alberni): You said nothing about the advantages.

Mr. Speaker, we hear of the advantages that privatization of these corporations is going to bring to all Canadians. In fact, the Tory record of failure in privatization has been as dramatic as the record of privatization virtually anywhere else in the world. I cannot think of a single example of a successful privatization strategy. It is done for ideological reasons, to serve their wealthy friends who made the campaign donations to them. That is who succeeds as a result of these privatization

strategies. I could not believe some of the members who support it.

Who is going to buy shares in this corporation? Taxation statistics tell us that a very small percentage of Canadians have the wherewithal to invest in shares. They simply do not have the money to invest in shares. In fact, a substantial number of Canadians do not even have enough money at the end of the month to put into a savings account to save for the next few weeks, the next few months, or for the next year. Most Canadians do not even have a large enough net income to permit them to save at the end of the year. So who is going to get this company and who is going to own the shares in this company? It will be going to be those people in this country who are sufficiently wealthy that they can afford to buy up those shares. That is who is going to own this corporation.

We had the same kind of experience in British Columbia with Westar, a company which purchased a number of forest industry assets around the province that were having some financial difficulty. It put together an integrated, operating, forestry company in the service of the people of British Columbia. Then the Socred government of the day privatized that corporation, and it has now shut down operations all over the province. It is one of the most inefficient corporations operating in the industry. Shares in the corporation were once broadly held and are now held by a very small number of people.

I recall the hon. member for Abitibi saying that once we are shareholders then we can go to shareholders' meetings and can influence what the directors do. Obviously, that member does not hold any shares and has not been to a shareholders' meeting.

Mr. Corbeil: Do you?

Mr. Skelly (Comox—Alberni): I certainly do hold shares and I certainly have attended shareholders' meetings. I know that at those shareholders' meetings, it is gavel to gavel in 15 seconds. It is directors paying themselves, it is owners paying themselves and the shareholders are there as so many sheep to be fleeced. That is the reason why this company is being privatized. I have been to some of those meetings and I know exactly how they operate. The shareholders do not have any influence on how a company is going to operate once it is in the private sector.

But the member, by suggestion, did criticize how the federal Government of Canada, under the Conservative party, does manage this corporation and does secure accountability for the people of Canada. These people have refused to make that corporation accountable to the people of Canada and that is the problem. Once it is privatized, it is going to be even less accountable to the people of Canada. What the Tory party should have done is to require PetroCan to become more accountable to the people of Canada and that is what it failed to do.

A number of speakers have suggested today that the government has refused to give any kind of policy direction to Petro-Canada in order in order that it may become a leader, for example, in seeking out alternate energy sources, energy sources that are less damaging to the environment and that are more environmentally friendly. That could have been a direction given by the government to Petro-Canada so that it could have sought out those sources, sources such as ethanol, and the use of renewable resources to produce liquid fuels for motors in Canada. We could have been using Petro-Canada as the lead agency to be seeking out these alternate fuel sources which have less damaging impact on the environment than the use of fossil fuels.

• (1650)

We could have used Petro-Canada perhaps in the same way as Hydro Quebec, who have recently entered into a joint venture project. Some of the things they do, I do not support. Other things—

Mr. Della Noce: I pay the bills. I am from Quebec. I pay the bills.

Mr. Skelly (Comox—Alberni): Well no wonder they cannot survive.

Hydro Quebec has just entered into an agreement with a Japanese battery producing company to set up a joint venture which will actually try to develop electric cars in Canada, not in Japan, not in the United States but between a provincially owned corporation and a privately owned corporation. This joint venture will try to develop electric automobiles which will reduce the amount of carbon dioxide and fossil fuel pollution that we put into the atmosphere. After all, according to the OECD and UN agencies, we are the worst energy pigs in the world and we are one of the worst polluters in the world. This is a good act on the part of Hydro Quebec and its Japanese partner. To develop an electric car may result

in the reduction in the kinds of emissions that cause so much damage to the atmosphere in our cities and around our countries.

Petro-Canada could have been used in very much the same way. A Canadian company with the support and guarantees of the government could enter into joint ventures with people in the advance of technology to try to develop alternate fuels or new ways of operating transportation systems and fuel systems in order to become more environmentally friendly, more supportive of a clean environment and with adequate direction from the government, that would have been possible. The problem, as the previous Governor General has pointed out, is that there does not seem to be that kind of leadership available in the whole Tory caucus in the House of Commons. If that leadership was there, Petro-Canada would be a leading agency, not only in Canada, but in the world in developing the kinds of alternatives that would carry on and improve our transportation system, and also make our transportation system much more environmentally friendly.

Petro-Canada also has a leadership role to play in the consumer area in the pricing of oil and petroleum products.

Mr. Della Noce: Tell me of one case since 1970.

Mr. Skelly (Comox—Alberni): I am not sure you are capable of listening.

There was an example a few years ago in 1985 or 1986, when oil prices had sky-rocketed in the world market. As a result, gasoline prices and heating oil prices in Canada went up dramatically. Petro-Canada followed suit because no direction had been given by the Government of Canada to hold the line on prices.

Mr. McDermid: Would you subsidize gas prices?

Mr. Skelly (Comox—Alberni): We are not talking subsidies.

Mr. McDermid: You are.

Mr. Skelly (Comox-Alberni): Wait until I finish. When world crude prices dropped the gasoline companies in Canada kept their gasoline prices up—

Mr. McDermid: That is not factually true.

Mr. Skelly (Comox—Alberni): —when world crude prices had dropped by about 25 to 28 per cent.

Mr. McDermid: That is not factually true.

Mr. Skelly (Comox—Alberni): Even Pat Carney, the former minister of energy, after constant questions and a barrage of statements to try to get her to persuade Petro-Canada to lower the price of gasoline to a price more representative of the world price of crude, finally gave the word to Petro-Canada that they should lower prices. In fact, prices went down and the price of gasoline at the pumps began to reflect the price on the world market.

An hon. member: What date was that?

Mr. Skelly (Comox—Alberni): January 1986, when they were given leadership by the government. As a result of pressure from the opposition, the government finally decided that it would indicate to PetroCan that the price should go down and the consumers should receive lower gasoline prices, and that is precisely what happened.

Mr. McDermid: That's a crock, and you know it.

Mr. Skelly (Comox—Alberni): I will give you the newspaper articles, and you can read it.

Mr. Speaker, Petro-Canada is a valuable asset to the people of this country. It can be used to benefit our consumers. It can be used to help with research and development in our transportation and fuel systems. It can be used to help us protect the environment if we have the leadership in government that is capable of giving it that leadership. Privatization will do none of that. We will just have another price-gouging, energy-flailing, environment-destroying, private energy company that Canada will have no control over whatsoever.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Questions and comments. The Parliamentary Secretary to the Minister of National Revenue.

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of the National Revenue): Thank you, Mr. Speaker. It is my pleasure to rise following the speech of my colleague from Comox-Alberni (Mr. Skelly), in which he quoted all kinds of figures, all kinds of falsehoods, particularly when we talked about Quebec-Hydro, which he compared to Petro-Canada. We know that Quebec-Hydro enjoys a monopoly, while Petro-Canada must compete with other existing companies. If you do not like Petro-Canada, you can go and buy from Esso. If you do not like Esso, you can go to an independent company.

If you do not like an independent company, you can go to Shell. With Quebec-Hydro, you can't. It had an annual rate increase of 7 per 100 for the past two years, and next year, they will blame it on the GST. That's an old story, Mr. Speaker. I hope my honourable colleague knows the difference. If not, he can come to Quebec, because I pay for electricity, which, in passing, is now more expensive than heating oil.

I would also like to say, Mr. Speaker, that my colleague has not done his homework. He talked about CN Route, but he forgot to mention Canadair. I have plenty to tell you about Canadair. It was on the verge on bankruptcy. For two years, the first two years, people came to see me, because they were nervous. This government sold Canadair, and not only did it save 4,000 jobs, but it created 2,000 more, and half of them in my constituency, Mr. Speaker. It gives me twice the fun to say that to my honourable colleague. He also forgot to mention Teleglobe, which is experiencing an extraordinary expansion. And I do not know what he has to say against De Havilland, where there are 1500 additional jobs.

[*English*]

I ask two questions of my hon. colleague on the other side, and I hope he will give me some good answers. Let us see if he knows what Petro-Canada and Hydro Quebec are doing in this world. What kind of dividend did Canadians get for their investment?

This government removed in 1985, in case my hon. colleague does not know, .07 cents a litre on that famous tax to buy PetroCan when people did not ask for it.

Why did government ownership of Petro-Canada give Canadian taxpayers all the cost and none of the benefits? Why do we have to force Canadians to participate in investing in Petro-Canada? Canadians cannot make their own choice about investing? Are they so dumb that they cannot decide themselves where to put their money? Why do you want to keep Petro-Canada? Is the gasoline cheaper because of Petro-Canada?

Just to finish, I have been a gasoline dealer, and I want to know, why did Petro-Canada take my money from my pocket to compete with me—and I did not ask for that—and to close my doors? I survived. It did not survive.

Mr. Skelly (Comox—Alberni): Mr. Speaker, I do not know about the personal problems that the member has experienced in business, or about the love affair he has with Canadair in his riding, so I cannot really comment on that or on any other affairs in his riding.

Mr. Speaker, I can comment on the fact that Petro-Canada has brought many benefits to the people of Canada.

Mr. Della Noce: Name one.

Mr. Skelly (Comox—Alberni): If I only have to name one, it is the fact that back on January 29, 1986 when, after pressure from the opposition in the House, the headlines read "Pass on Savings Carney Tells Oil Firms", that Petro-Canada led the fight on behalf of Canadians and gave Canadians cheaper fuel prices at the pumps and protected the consumers of this country from the price gouging of the companies for which you work.

• (1700)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to compliment my colleague on an excellent speech, a speech which has pointed out the foolishness and the lack of direction that exists with respect to the government's views on privatization.

I would like to put a question to my colleague because I think it is an important question. We are in the midst of an oil crisis and a situation in which war in the Middle East is being talked about in the House of Commons. The supplies of oil could very well be interrupted. Gasoline rationing is being discussed by the government. The situation which we have now is perhaps even worse than the situation which existed when Petro-Canada was first thought of.

Could my colleague possibly think of a worse time, a worse situation, or worse circumstances for a government to decide to get rid of the one effective policy tool that it has to be able to use in the area of oil and gas exploration and development in the country?

Mr. Skelly (Comox—Alberni): Mr. Speaker, there is an easy answer.

It astounds me that some feel that the price of oil that is produced in Canada, refined in Canada, and distributed in Canada should be determined by events that are happening tens of thousands of miles away in the Middle East. We are capable of producing all of our own crude

oil and refining capacity. It simply does not make sense. This is not a real market. It is an artificial market.

If one reads the profit pictures of the oil companies that are operating in Canada, the latest quarterly profit figures are going right out of sight because they are taking advantage of the cheap crude oil that they have been able to get from the Government of Canada. It is being inflated to world prices, running through its integrated system, and gouging people at the pumps.

This is exactly the worst time to be privatizing an energy agency such as Petro-Canada, which can give Canadians a certain amount of control over the pricing of fuel. This will establish price leadership and it can bring down the price of fuel to Canadian consumers. This applies to both home-heating fuel and transportation fuels.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, I was terribly offended by the member for Comox—Alberni. I hear him laughing and I wish he would stop.

We all know that the country is suffering from many people losing faith in their institutions and their politicians. You are doing the House no favour with irresponsible and untrue charges. He lays himself wide open to the same kind of questions in reverse.

Do you report back to your biggest campaign contributors? Is that how your party operates? I can tell you that ours does not operate that way.

The people we answer to are those who believe in less government. They do not want government interfering in business unless there is a very good purpose for it.

Mr. Della Noce: He doesn't trust private enterprise.

Mr. Worthy: Your idea of government intervention or government policy is—

An hon. member: What about the food industry?

Mr. Worthy: The food industry is very important to Canada. You would have us buying up all of McDonald's so we would have a window on the industry. It is absolutely ludicrous. That is the way your mentality works. There is no way that the way my colleague looks at things and the way the people whom I represent look at things can possibly be seen as eye-to-eye.

Mr. Langdon: I have a very short point of order, Mr. Speaker.

I hesitate to interrupt the diatribe, but I would point out that the hon. member, through the Chair, should be speaking through the Chair. He should not be speaking directly to a member.

Mr. Worthy: Mr. Speaker, I do stand corrected. My concern for the House got me away from proper procedure. I do apologize for that.

I will address just a couple of points that were made. There was talk of the lack of success of some of our privatization. I ask the member to look at the figures for Canadair, Air Canada, and Teleglobe.

My time has expired, but we have given the information to his side of the House. If he checks the record, he will see that those are all very successful businesses. They are good examples of why the privatization of firms is the policy of the government, and why it is a good policy for Canada.

Mr. Skelly (Comox—Alberni): Mr. Speaker, first, I am going to call on that member to check the donations that are made to the various political parties and to check how much in the way of donations his political party has received from the various oil companies in Canada.

Furthermore—

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Manicouagan on a point of order.

Mr. Langlois: Thank you, Mr. Speaker. I would like to remind the hon. member that the debate is about the privatization of Petro-Canada and absolutely not about the contributions that companies might make to political parties of Canada.

[*English*]

Mr. Skelly (Comox—Alberni): Mr. Speaker, back to my original point. I challenge that member to check the donations that were made to his political party and the promises that his political party made in response. I say that there is a direct connection between this policy with respect to Petro-Canada and the donations that were

received from the oil companies in Canada. There is absolutely no problem in my mind and in the minds of Canadian citizens about that either.

Mr. Langdon: Mr. Speaker, I apologize for having to rise on a point of order again, but I believe that the last set of exchanges included comments from the Conservative member stating that what my colleague had said was untrue.

I believe that is not the case, but more important in the context of a point of order—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order please. I regret to interrupt the hon. member but this is not a point of order, it is simply a matter of opinion. We have to go on with the debate. The hon. member for Fredericton—York—Sunbury has the floor.

Mr. Bird: Thank you, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): On a point of order? The hon. member for Essex—Windsor.

[*English*]

Mr. Langdon: On a point of order, Mr. Speaker, the point which I was making was that it is using unparliamentary language to refer to anything which somebody has said as untrue.

I think, if the Speaker will check his sources, he will see that I am correct with respect to that point of order.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am asking for the co-operation of both sides of the House and from all hon. members. I repeat that all parties got their say. I give the floor once more to the hon. member for Fredericton—York—Sunbury.

• (1710)

[*English*]

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I am pleased to have this opportunity to address this House on Bill C-84, the beginnings of privatization for Petro-Canada.

At the outset I would like to put Petro-Canada in perspective. As with the 13 other Crown corporations that have been privatized by the government, particularly three of the larger ones such as Canadair, Teleglobe, and Air Canada, I want to emphasize that Petro-Canada is a major Canadian corporation.

First, it is a Crown corporation and based on 1989 figures—I am using *The Globe and Mail Report on Business* of July, 1990, for my figures so they may differ slightly from some which have been used in this debate. I want to assure hon. members that the figures I am using have not been manufactured for me by any particular source, but they are independent public figures published in the leading business journal of the country.

The *Report on Business* states that Petro-Canada is the largest Crown corporation in terms of sales revenue at $5 billion. In terms of assets, it is the third largest Crown corporation with assets of $6.8 billion, ranking behind the Canada Mortgage and Housing Corporation and behind Canadian National Railway.

It ranks third among Crown corporations in terms of profits and the figures that I have for its profits before extraordinary items are $85 million in 1989, well behind the CNR and Canada Post.

In one other measure, Petro-Canada fairs only seventh among Crown corporations and that is in terms of return on capital where it was listed at 7.8 per cent for 1989. By comparison, this key statistic for Canada Post was 9.68 per cent, and for the CNR it was 8.68 per cent. Ordinarily one would not be very impressed with any corporation that finished behind the CNR or Canada Post in terms of business performance. As we all know, those two traditional Crown corporations have for many years been financial millstones around the government's neck and it has been only in the last couple of years, under the direction of this government, that both those corporations have commenced to perform as legitimate profitable corporations.

To gain a full perspective about Petro-Canada, it is also necessary to compare it with one or two similar private companies in the integrated oils category. For example, Imperial Oil revenues are twice as large at $10 billion and Shell Canada at $5 billion is just about equal to Petro-Canada.

However, when it comes to profitability, the comparisons are not so favourable. Shell's profitability is three times greater for the same sales and Imperial's profitability is five times greater for twice the sales. In the critical category of return on capital, there is a remarkable demonstration of difference between the two well-

run private companies, each exceeding 15 per cent return on invested capital over a five-year period annually, whereas the Crown corporation, Petro-Canada, which is also a well-run company, shows only one-third that performance at 5.13 per cent annual return on capital over the five-year period.

I think that those are meaningful figures in this debate because we are talking about the basic philosophy of turning the public Crown corporation in a private enterprise direction.

The question naturally arises, particularly for those of socialist persuasion, why even think of doing such a thing? Is it not better, they ask, to keep the company in government hands on behalf of the people, rather than risk private enterprise initiative for that dirty word, profit? It seems to me the facts about return on capital firmly answer those questions. For some inexplicable and mystical reason, private corporations just seem to run a lot more efficiently and successfully than Crown companies. As I say, just note the difference in return on capital between Imperial and Shell at 15 per cent annually and Petro-Canada at just over 5 per cent, a three-to-one differential in performance.

One of the basic principles of the privatization process which is followed consistently from the government's agenda for economic renewal presented in 1984 is a market-oriented energy policy. It is based on the belief that the private sector, guided by efficiently functioning markets, is in the best position to make optimal decisions concerning energy consumption, production, and investment. Surely the stark reality of the numbers I have presented with regard to return on capital, particularly, help to confirm the basic truth of that principle. Somehow the private enterprise performer is almost always more efficient, more effective and more productive than the government-controlled company. One of the principles, one of the tenets in 1984 when this government commenced to restructure the country's economic framework was to enable Canadians to become more competitive generally in our efforts to meet the challenges of the emerging global marketplace.

Therefore, I strongly support this legislation which authorizes the sale of shares in Petro-Canada to the general public because I believe that direction will ultimately prove the best both for Petro-Canada and for the government representing all Canadians.

As Petro-Canada is gradually transformed to face both the opportunities and the disciplines of the private market system, I feel confident that its performance will emulate its major competitors because it already is a sound and solid corporation. I believe that privatization will make it perform even better.

There are obviously other reasons which strongly support this legislation. Petro-Canada needs increased capital to develop its oil and gas reserves. Since gaining a commercial mandate in 1985, Petro-Canada has become a major player in several energy megaprojects. It presently has the second largest proven reserves of oil and natural gas liquids in Canada and the fourth largest natural gas reserves of any company in the country.

It will take money, lots of it and much of it at very high risk to develop these reserves on a viable, profitable basis.

[*Translation*]

Mr. Speaker, Petro-Canada is one of hundreds of oil and gas companies operationg in that major field of activities. Let us keep that in mind. Petro-Canada accounts for roughly 6 per cent of exploration and development operations in Canada. Nor should we forget that the development of these resources requires a lot of capital.

[*English*]

The best way to raise that capital is through a public share issue where investment is made on the merits of the market system and not simply by tapping the federal treasury for huge new amounts that will reflect in higher taxes or a larger government deficit. That is where the moment of truth occurs in the enterprise process, when a corporation is compelled to demonstrate its plan for attracting capital and must do so in a highly competitive way. That is when the prospects for performance are evaluated in the context of the investment required and the test is whether or not the money is forthcoming.

Last, I support the legislation because state ownership of Petro-Canada is no longer necessary for the company to achieve public policy objectives, if it ever was required for that purpose. When Petro-Canada was created in the 1970s, the Liberal government of the day set three objectives for its public policy role on behalf of the people of Canada. First, it was to increase the petroleum supplies available and to increase exploration for new sources of oil and gas, especially in the frontier areas of Canada's coast and in the Arctic. Second, the company

was to provide a window on the oil and gas industry to help government formulate national energy policies. Third, the company was to act as Canada's agent in any negotiations with other states concerning energy supplies.

Looking back in history, we have all come to realize that government ownership of Petro-Canada is no longer required to achieve those public policy objectives. In fact, we have come to the realization that there is only one principal public policy objective in the energy sector. That is to establish the conditions in which the economic development of our energy resources can occur. There is now good reason to believe that privatization of Petro-Canada will better serve that major policy objective and will not put other energy policy objectives at risk through privatization.

For example, we now have a much clearer perspective on the extent of our frontier reserves and on their potential for development. We are confident that the private sector is the best approach there. The government has a variety of mechanisms to remain intimately informed about the industry, including the Petroleum Monitoring Agency, the Canada Oil and Gas Lands Administration and the National Energy Board. We do not need a major Crown corporation as a window on the industry at all.

If trading directly with other states becomes a requirement, there are other more direct options which the government can use. The capabilities and expertise exist in more than one government department: Energy, Mines and Resources for one and International Trade for another.

In summary, therefore, the original reasons for government ownership of Petro-Canada are no longer valid, and one wonders if they ever really were valid. It is tempting to draw a parallel between Petro-Canada and the infamous National Energy Program which was introduced to Canada by the Liberal government 10 years ago.

• (1720)

Mr. Lewis: Supported by the NDP.

Mr. Bird: As business and political writer, Tom Kierans, said in his report on *Business Magazine* of July 1990: "The National Energy Program was a reckless and thinly veiled experiment with a planned economy."

Even the energy minister of the day, the hon. Marc Lalonde, admitted that the National Energy Program was not about people, it was about power. Ottawa's aim was not simply to sustain and cushion eastern Canada against oil shocks, but rather as Kierans observed, "It was the intention of the federal government to recycle a large component of the huge energy price increase through its coffers so that it could both restructure the energy industry, and also redirect the industrial economy while increasing its federal control".

The government was basing its planning on estimates that oil prices would reach $80 per barrel. Some plan. Even though consumers would be paying a lot more for petroleum products, the oil and gas industry would be very prosperous, it contemplated, and government revenues would be so large that all of its social programs would be supported and the federal government would probably have no deficit.

Mr. Della Noce: Hear, hear.

Mr. Lewis: Right.

Mr. Bird: Mr. Speaker, talk about the GST and the burden which many people claim it will bring to Canadians. Can you imagine what the National Energy Program was designed and disguised to accomplish? It was to bleed us dry at $80 a barrel and that was the plan for this nation.

We all know what happened. Oil prices collapsed, and the planned economy collapsed with it. Unfortunately, however, many of the social contracts had already been put in place and much of the government spending was already under way. Today we see the result of massive deficits which were accumulated in the early 1980s, and the incestuous process of debt upon debt which became embedded in the system by the time the current government came to power in 1984.

To a considerable extent in this bill, Mr. Speaker, we see the distinctions here of political philosophy, and we saw them with the National Energy Program as well. We are confronted with some of the basic differences and political principle between a Liberal outlook that "government knows best, and does best", the Socialist outlook that "governments should own everything", and the

Conservative philosophy of "The market system does it best, let it work".

It is worth reviewing briefly again some of the main features of this government's energy policy which impact on the Petro-Canada bill. As emphasized at the start, we have implemented a market approach to energy policy in the belief that the private sector is by far the best vehicle to achieve Canada's energy goals.

Consistent with that philosophy, we have reformed regulations governing the energy sector, and have allowed prices to be set by market forces.

Of utmost importance, the government has negotiated secure access to the vast U.S.A. market for Canadian energy products via the free trade agreement. This historic move has created an atmosphere in which investment in this country is now again fostered, including foreign investment, while ensuring continued opportunities for Canadians to participate in the oil industry.

Shortly after taking office in 1984, this government dismantled that grand Liberal experiment in a planned economy called the National Energy Program. It was already even then dying of its own bureaucratic weight, and of the reality that the golden goal of $80 per barrel for oil was long a dream or a nightmare of the past. Unfortunately, a large part of Canada's financial stability collapsed in the ruins of the National Energy Program.

In 1985, the government gave Petro-Canada a commercial mandate, and it has commenced to make significant progress as one of Canada's largest integrated oil companies.

Now, by commencing to privatize Petro-Canada, the company will be given the freedom it requires to run its business on a market basis without the burdens imposed by government ownership, and with access to the private market for investors and operating partners.

Security of energy supply has always been a key component of Canadian energy policy, and this government has recognized that security can best be achieved by ensuring that Canada possesses a strong, diverse and growing energy sector. We have put in place policies to encourage the development of all economically viable forms of energy. Through regulatory reform and the removal of oppressive and discriminatory taxes, we have created the conditions which will enable the domestic oil industry to grow, and which will stimulate the exploration necessary for new reserves of oil and gas to serve the future.

Also, to encourage security of supply, Canada has established emergency procedures within our own domestic market to deal with possible shortages and has entered into emergency sharing procedures with our international energy agency partners in the event that physical shortages of oil should occur. That sort of condition is intensified in these days of crisis in the Persian Gulf.

Those are some of the key directions of Canada's energy policy. As I have said before, the privatization of Petro-Canada will not only serve those policies but it will bring many other benefits as well, both for the company and for the country.

By placing Petro-Canada on the same basis as its private sector competitors, we will increase the business potential which Petro-Canada will have to develop its assets and to acquire new ones.

Privatization will permit the company access to the full range of private sector financial markets and instruments, which will help it to build its business in a timely fashion.

[*Translation*]

Mr. Speaker, privatization will provide Petro-Canada management with the financial flexibility enjoyed by their competitors and give them ready access to new funds without adding a cent to the tax load of Canadians. By limiting the over-all participation of foreigners we can gain all these benefits while making sure that Petro-Canada remains under the control of Canadians.

[*English*]

Equally important, the financial resources of government will be relieved of such financial support and investment which truly does belong in the private sector, where the efficiencies of performance are so well demonstrated.

Last, privatization will remove the myth that government needs direct participation as an operator in the oil and gas business to achieve our public policy objectives. It has been clearly demonstrated in many ways that Petro-Canada is not, has not been for some time, and perhaps may not ever have been, an effective direct instrument of government energy policy. Like the National Energy Program, it has been a grand interventionist scheme going largely in the wrong direction and not

toward the destinations and goals which our country must find and obtain. Clearly, Petro-Canada does have a major role to play in the development of Canada's energy reserves, and I have utmost confidence that with its excellent workforce of almost 7,000 people and its outstanding management, Petro-Canada will play that role in extremely successful ways. Its future will be found, not as an instrument of government policy, but rather as an active and competitive private sector company in the forefront of the Canadian energy effort. It is in that manner, along with so many other dynamic enterprises on the Canadian energy scene that both the company and the country will be well served with efficient, effective, reliable and competitive energy supplies for decades to come.

[*Translation*]

Mr. Speaker, while the creation of Petro-Canada may be viewed as the product of an ideology, the decision to privatize flows from good old common sense.

[*English*]

Those are among the reasons, Mr. Speaker, why I strongly support Bill C-84 and the privatization of Petro-Canada Corporation.

Along with Canadair, TeleGlobe Canada, Air Canada, and with 10 other of those Crown corporations since 1984, a commitment has been fulfilled by this government, not an ideological commitment toward a planned economy but a common sense commitment in the best interests and best traditions of Canadian and Conservative directions.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I thank my colleague for his speech. I do not doubt for a moment his sincerity. I have some doubts about the content, but I do thank him. I know he is a sincere individual and has helped me with a situation in my riding. His counsel has been valuable and is, I believe, working.

As to profits, and I noticed with many of the speakers on the opposite side of the House, and several from the corner on that side, the thrust of their speeches was based on profit; PetroCan only made this much whereas Imperial Esso made this much. My question to my colleague is, when does the profit become greed and avarice and immoral and just unacceptable to the government side? We are not agin profits, but surely there is a point when profits reach that state.

• (1730)

On another smaller point, I am sure my colleague did not mean to but he seemed to intimate that the private companies were well run and that Petro-Canada was poorly operated. I am sure both the administration and the other people in the 3,000-plus stations across this country would take some umbrage or some insult from those comments. I am sure my colleague did not mean that.

Mr. Bird: Mr. Speaker, my hon. colleague has been generous in his comments with respect to my counsel to him on another matter. I would like to say that there areas where even members of the New Democratic Party and the Conservative Party can get together and help to make this country work. I appreciated his interest in the initiative on which we have been able to help each other.

I would like to answer his second question first. He obviously was not listening because I said, at the very conclusion of my speech—and I said it once at the beginning of my speech—that Petro-Canada and its almost 7,000 employees was an excellent company, it was well run, and it had outstanding management. However, as I said, for some mystical, inexplicable reason we have a major company like Petro-Canada with the same sales as Shell or half the sales of Imperial and getting one-third the return on capital.

The private enterprise society which has built this great country. The efficiency of performance has always been measured by the enterprise system. I would like to read a definition that contained in the article by Kierans as to what really constitutes the best search for perfection. He wrote: "Essential to the workings of a market economy is the freedom for individuals taking decisions independently and in competition to achieve society's objectives at the lowest possible cost".

I just have to say, in terms of fulfilling Canada's energy policy objectives, Imperial Oil has to stand out equally as

a private corporation with any Crown corporation in terms of the services provided to this country, and it is not even a totally Canadian owned company.

I think we have a philosophical conflict here. There are some subjects my friend, from the NDP and I probably could never reconcile on. That would be his belief in a socialist approach to government and my belief in a Conservative, private enterprise approach to government.

I submit to you, Sir, that the approach I support has worked and has served this country extremely well for 125 years of Confederation and even long before that.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Other questions or comments? The hon. member for Laval-Est.

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, a very short question. First I would like to congratulate my colleague from Fredericton—York—Sunbury.

[*English*]

I would like to congratulate him on his sincere, honest, and valuable speech.

I understood very positively my hon. colleague when he said that Petro-Canada could play the role of a private company with 6,000 or 7,000 employees. I do believe that. I do believe that Petro-Canada has a future.

Of course the socialists on the other side do not like profits. They do not like private enterprise and they do not trust private enterprise, but I must tell you, Mr. Speaker, and my hon. colleagues on both sides of this House that if I made no profit when I was in business, there were no new jobs at all. Profit brings jobs. I cannot understand that these people did not understand after so many speeches, particularly the last beautiful speech given by my hon. colleague on the other side, that if one has no profit there are no jobs.

There is one thing I would like to ask my hon. colleague. Would Canadians like that famous window on the industry now? I am speaking about retail gasoline, not if they want to nationalize McDonald's and have a window on hamburgers. Would Canadians who are listening to us have wanted us to keep the National Energy Program and Petro-Canada, with the famous words "a window on the industry", which Mr. Lalonde does not believe in any more? I do not know if he became a Tory in the last two weeks, but I like to hear what he said the other day in the press.

If the window on the industry, the National Energy Program, had not been scrapped by this government, the price of a barrel of oil would be $117— that is just a fast calculation—or $1.10 per litre at the pump. I would like to ask my colleague if we had kept Petro-Canada and the National Energy Program, would it have helped the Canadians who are listening to us? We forced them to invest in Petro-Canada.

Mr. Bird: Mr. Speaker, I would like to caution my hon. colleague that when he speaks about the other side we are speaking about the same side. This is what is called the small blue corner. I do not want my colleague to lose sight of the fact that we are on the same team.

The reference to the National Energy Program was prefaced on the prospect of oil at $80 a barrel. The calculation that my hon. friend has made indicates that it probably would have gone to $117 a barrel. What it would have become would have a been a tax of another form. It would merely have been a case of raising the cost of petroleum to Canadians whenever the government needed to prime its own fiscal pump.

As I did the research of sorts for my address today, I realized that the planned economy through the National Energy Program was much more nefarious and deceitful than anything that could ever be claimed by the most severe critic of the goods and services tax. I am encouraged that again we find that we are very much in the right direction and, by comparison to history, we are not only going in the right direction but we are going in a very fair, equitable and effective direction on behalf of all Canadians.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the member about two points.

First, this management which has had such a poor record of profitability in Petro-Canada will nevertheless be given the right to carry Petro-Canada to the private sector. Why have there not been changes in the management if the profit record has been so poor?

Second, are we not talking in the case of his own particular province about not the great force of small numbers of companies competing against each other in the petroleum industry, but instead about the virtual dominance of all gasoline sales in that province by a single company, the Irving company, which has led to

massive rates of profit and to serious problems for the people of New Brunswick?

Mr. Bird: Mr. Speaker, the hon. gentleman has covered a very wide horizon of issues in his question. I would like to respond to him very quickly.

The performance of the Irving company, both in petroleum and in other interests in New Brunswick, is a source of pride to all New Brunswickers. I would challenge him to put that question to his own NDP leader in New Brunswick. I believe that she would criticize him for making such an inference.

On the other question he raises about the management of Petro-Canada, I have said on two occasions in my address and once in answer to a question that I regard the management and the performance of Petro-Canada highly. In fact any Crown corporation that can show a profit at all is an exemplary organization. What the record shows is that if that company is put into the private market system, the chances are that it will emulate the performance of Imperial Oil and Shell, which will be to triple its present return on capital.

In closing, I would like to refer to the three major companies that have been discussed in terms of privatization prior to this bill. Canadair's sales have risen since privatization from $438 million to $800 million. Its employment has risen from 4,667 to 7,200. Air Canada's profit went from a loss of $22 million in 1985 to a profit of $36 million in 1989. In the case of Teleglobe, the demand for service is rising at the rate of 30 per cent annually. These are examples of what happens when we take government's burdensome ownership away from a corporation and put it into the private market system which serves all Canadians much better and in a far superior manner.

• (1740)

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I take part in this debate today with a sense of alarm that this government is going to privatize the institution we call Petro-Canada, a corporation that is already owned by Canadians. Now it is going to sell back to us something we already own.

The original purpose for the creation of Petro-Canada was to provide a window on the oil industry for Canadians and to explore for gas and oil in Canada's frontiers. It did this very effectively until this government came to power and cancelled Petro-Canada's public policy role, telling the publicly owned company to behave just like any other private sector oil companies. Now look what has happened.

In 1984 we had approximately 5,800 oil wells drilled, completed, and brought into production in Canada. Last year there were 1,720 oil wells drilled and brought into production. This year, as of October 6, there were only 1,306 oil wells drilled and brought into production here in Canada. As of October 9, there were 306 oil drilling rigs in Canada that were down. They were not working. There were 23 rigs in the process of moving, and only 159 rigs actually drilling. Only one-third of the oil rigs in Canada are working at the present time when we are facing an energy crisis. So much for the private sector.

Just recently, James K. Gray, Executive Vice-President of Canadian Hunter Exploration Limited of Calgary, stated in a speech:

> Our current supply of conventional crude oil is diminishing. As an explorationist I can assure you that there are still discoveries to be made, and it is crucially important that we be encouraged to explore. Nevertheless, trends indicate that conventional oil production will decline by over 20,000 barrels per day per year in Canada over the next 30 years, while demand is expected to increase by approximately 25,000 barrels per day per year over the same period. Our modest surplus of production will soon disappear.

That is from the oil industry itself telling us what is going to happen over the next few years.

I have further concern that it is not just happening in Canada. The decline in Canada will begin in 1991 to 1995 by about 10 per cent. During the period 1987 to 1990 production in the United States declined by about 25 per cent to 50 per cent. I should point out that crude oil in the United States now amounts to 41 per cent of its needs.

It is this type of lack of direction from this government that is putting Canada in another energy bind. Here we are going to privatize a public company that was set up to develop frontier lands at a time when we are coming into an energy crunch.

Petro-Canada stands as number two in terms of oil reserves. It stands as number two among all the companies. only exceeded by Imperial Oil. It stands as number two in gas reserves and as number four in gas production. It stands as number one in net land holdings in this nation. Petro-Canada has control of most land holdings,

or more control, than the other companies in Canada at the present time.

It was put there to fulfil a mandate, to do the exploration work in Canada's frontier. This government has cancelled that mandate.

Mr. Speaker, why has the private sector not picked up the challenge in the frontier lands and the offshore? Why has their exploration work dried up? It is because in a land as vast as ours and the harsh climates in our Arctic and the frontier, one needs incentives because the private sector is not going to do it. After this government deregulated the oil and gas industry and took away Petro-Canada's mandate, things have gone downhill ever since.

This is one of the reasons why Petro-Canada has not shown the same rate of return, because of the high-risk exploration it did on the frontiers. It probably has not yet got the return back from the oil pipelines built to service those wells.

It is only recently we have seen the price of natural gas change, and that is in response to the start of construction of the Mackenzie gas pipeline.

I think we should look at what has happened in Canada. First of all, last December, under the so-called free market system when we had a cold snap all of a sudden propane prices almost doubled. Propane is a by-product of the oil industry, bottled gas we call it, but it is really bottled propane. Many people have to rely on this for their heating and just recently the price has gone up again.

I had a constituent call me just a few days ago who has a fleet of school buses powered by propane. He called to tell me he was not sure whether he could continue to operate because of the current high price of propane. But the sad thing is there is no shortage of propane.

It is the private sector taking advantage of an energy shortage, not in Canada because these prices are set outside of Canada in Texas. An organization outside of our own country is really controlling our prices and determining what lies ahead. It is not much wonder we have problems in the Middle East when we have the type of chess games being played by the huge oil companies in wanting to ensure a supply of product to supply the world from wherever they choose at whatever price they feel they should pay.

It is nothing new for the government to be subsidizing oil companies. Hibernia would never be developed without the $2.7 billion, I believe, of federal government backing that is going in there.

Time will tell whether or not any of that oil will ever benefit the Canadian people. We are putting out a tremendous amount of money to bring that onstream, but there is nothing in the agreement that says the oil has to be refined or sold in Canada. There is no long-term security of supply there for the Canadian people. When we look at the equal access that the Americans have to our energy supplies under the free trade agreement, it makes me wonder how this government could ever think of privatizing a corporation like Petro-Canada because it is our operation and it was established through Canadian taxpayers' money. Now the government has given it away and the Americans have equal access.

I think rather than privatizing Petro-Canada we should be going the other way. I think the mandate should be broadened and strengthened. We have diminishing reserves of conventional oil in Canada and the United States. We have tar sands oil but that is one of the most expensive to produce.

Rather than limiting its mandate, Petro-Canada should be expanded back to where it was at the time this government took office, with responsibilities on the frontier and the offshore, where the private sector does not want to venture because of the risk involved. We as Canadians need assured reserves. I think it should expand to include the development and use of renewable fuels. I am talking here about ethanol, for example. There is only one oil company among all those in Canada who is actually involved in this, and that was again with a level of government subsidy in terms of research and development.

• (1750)

I think we have to look very seriously at expanding the mandate of this Crown corporation. For example, there are millions of tonnes of grain stacked across the prairies that could be the source of a renewable fuel. It could account for up to 10 per cent of the automotive fuels used in this nation. Not only would it provide a market

for the millions of tonnes of grain that remain unsold, but it could provide a domestic market for between five and eight million tonnes of that grain. At the same time, it could clean up the environment.

The use of 10 per cent ethanol in an automotive fuel will lower the carbon dioxide emissions of those fuels by 10 per cent. That is the first benefit. It would also provide a means of getting rid of carbon dioxide emissions by the very fact that the growth of a plant itself removes carbon dioxide from the air. An acre of corn, wheat or barley will remove as much carbon dioxide from the air as an acre of forest. We are all concerned about the destruction of our forests, not only in Canada but in the Amazon rain forests and other countries of the world. So we could have a double-barrelled impact on pollution. I think the government should look very seriously at moving in this direction.

I am shocked to find out that the additive put in gasoline by oil companies at the present time in Canada to replace lead—and this took place a couple of years ago—is not allowed to be used in the United States. But it is manufactured there and sold to us, and here we are using it in our vehicles to further pollute the atmosphere.

The oxygen content of ethanol blend is almost twice that of other oxygenated fuel resulting in reduced carbon monoxide emissions. It could be as much as 25 per cent. I said 10 per cent previously, but it could be up to 25 per cent.

I should point out that currently the city of Toronto ranks as one of North America's worst cities in downtown carbon monoxide levels and most of this is from car exhausts.

Just this afternoon on the way to Ottawa, we landed at Toronto Island Airport. We circled out over Lake Ontario to come in for the approach to the landing. We looked at the cloud of haze lying over that city, and most of that at this time of year has to be automotive emissions.

This government has an opportunity to expand the mandate of this Crown corporation into the development of renewable fuels, which will benefit all Canadians and here it is going to sell it off to the private sector because it thinks it can do better. Yet when we examine the dismal record of what has happened in the Arctic in the last few years, and currently there are nine rigs in the Arctic, not one of them drilling at the present time, or as I should say as of early October and late September.

I look at the record of what happens under privatization, and I have to look at the Polysar situation in the city of Sarnia. It was established in 1971 with $250 million worth of seed money. This is a very successful company. In 1985 to 1987 the government decided to privatize it and sold 48.2 per cent of its shares for a return to the taxpayers of only $361 million. Yet, within two years Nova Corporation paid $1.3 billion for that same company. The government sold those shares for $5.75 a share and two years later Nova Corporation paid $20.70 a share.

Then in May of this year the government sold off probably the crown jewel to the Bayer Corporation, a crown jewel that only in one year since the 1940s had ever lost money. It was a world leader in research and development and it was sold, to be gone from Canadian control forever and a day.

That is the type of thing that has been happening under privatization. The government has been selling Crown corporations at less then their actual value. In the meantime, somebody makes a bundle on the stock markets.

It has been indicated that seven executives of that corporation received about $8 million in severance pay and then two years later part of the crown jewel of research and development, the old rubber division, was sold off to foreign interests.

It seems rather strange that this government is moving in this direction, particularly with the uncertainty in the Middle East. As I indicated earlier, with our reserves diminishing, the government should not be selling at a time when we should be looking to clean up the environment. Petro-Canada is a vehicle through which we can do this to work in the long term.

It is strange that we should be looking at a mandate that was pulled away from a company to develop the Arctic and the offshore and would allow ourselves to become dependent on decisions made in the boardrooms of other nations for the energy future of this nature, particularly when we have the harsh climate that we do.

It seems strange that we would rush to sell off our non-renewable resources the way we are. I reflect back to January and February 1989 when there were huge natural gas contracts made with the State of California and other companies out there. One of the American Senators was speaking to me about this. He told me that

he cannot see why Canada is selling off its natural resources the way it is. He said that most of that natural gas during the summer months is being pumped back into the depleted fields in California to replenish their own reserves. He said, "Let me assure you that 20 years from now we will have natural gas and you will not have any".

I look at the number of rigs that are down in Canada at the present time, and the fact that this government is going to sell off this Crown corporation that was set up to develop and explore the Canada Lands, the Arctic and the offshore. I find it inconceivable and not at all acceptable that we should be heading in this direction and leaving future generations of Canadians wondering where their fuel supplies are going to come from.

In conclusion, I have no alternative but to vote against this bill. I have no alternative but to look at what has happened in the oil industry. I have no alternative but to look at what has happened in Alberta itself where 60 per cent of the oil well service industries that were in business in 1984 are now non-existent. I have no alternative but to encourage my colleagues on this side of the House to vote against this legislation. We should be looking to expanding the mandate into the renewable fuels. We should be taking the initiative and the lead to make sure this happens as quickly as possible, to give the farmers in western Canada an income, to provide a market for those millions of tonnes of grain that are out there at the present time, and also to provide a high level of protein feed suitable for livestock at a reasonable cost to keep our livestock industry competitive with that of the rest of the world.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Manicouagan.

• (1800)

[*English*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I would like to address some of the comments my colleague for Lambton—Middlesex made regarding the mandate that he would like to see for Petro-Canada.

Of course, the wide range of subjects, items, and proposals that he outlined for a mandate for Petro-Canada is quite valuable. I would agree to that. But why, in his mind, would it be impossible for Petro-Canada to have the same mandate and attain the same goals that he has been talking about, being owned by Canadians shareholders, instead of the Government of Canada?

Why would it be impossible for the shareholders of Petro-Canada, a majority of whom will be Canadian citizens, to give that same mandate to Petro-Canada in a competitive and economic environment that will level the playing-field for Petro-Canada, while at the same time, not having to live under the government and all the restrictions that it imposes?

I feel personally that it would be much easier for Petro-Canada, if it had such a mandate, to have access to more research and development, and new sources of funds, being owned by Canadian shareholders—the Canadian public—and not having to live with the restriction imposed by government ownership. I would like to hear the member's comments.

Mr. Ferguson: Mr. Speaker, I think the record speaks for itself in that there is only one oil company that is proceeding at the present time into the area of renewable fuels and that is Mohawk Oil. It is doing that in co-operation and in partnership with the Saskatchewan Pool Elevators in the Province of Saskatchewan.

It was tried in Ontario a few years ago by United Co-operatives of Ontario in two test marketings. There was one in Listowel, Ontario, I believe it was, and the other at Guelph. Motorists were lining up at the pumps for clean fuel. It was discontinued because the oil company supplying that the gasoline that was used as a base with 10 per cent of ethanol added to it, refused to sell them any more gasoline. That is the reason.

The private oil companies want to sell oil. They are not interested in selling a gasoline that has 10 per cent ethanol involved in it, even though it may clean up the environment and even though there are other benefits that accrue to the rest of our economy.

I should also point out that this product has gained acceptance in the United States, far more than it has here because of legislation passed by Congress and the

Senate mandating the additives that can be used, and those that are not allowed to be used.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I would like to begin by congratulating my colleague and friend, the member for Lambton—Middlesex, for an excellent speech. It was a speech that to a certain degree was very informative, not as partisan as I thought it could be, mind you, of the severity of the legislation that we are discussing and so I have no choice but to make a few comments.

I was very pleased to hear some of the suggestions he made. I would only hope that all hon. members in the House would listen to some of those suggestions, take heed, and even introduce something in the near future that might help us in regard to the new mandate of Petro-Canada, rather than the privatization.

Looking back, it is almost a decade ago that the Tory government had attempted to privatize. You know what happened at that time, Mr. Speaker. It had to back off for a number of reasons. It then proceeded to introduce a different type of strategy. Rather than outright privatization, it decided on a different strategy.

In 1985, it took away from Petro-Canada the tools to do an efficient job here in Canada. It redefined the mandate of Petro-Canada. That has basically declawed Petro-Canada. Now, it is in the process of privatization. So, it has been a long, long plan.

Let us look at that policy of privatization and I know the hon. member talked about the philosophy involved here and giving it the proper tools. The question I have for him has to do with this mandate and the timing of this privatization. Does the hon. member for Lambton—Middlesex not think the timing is terrible and that it is a bad time for the government to become a spectator in this volatile industry? It is a bad time because of the problems being experienced in the Middle East.

He mentioned the mandate and I would ask him to elaborate on the mandate of a new Petro-Canada, rather than the privatization.

Mr. Ferguson: Mr. Speaker, I completely agree with my colleague in that we could not have picked a worse time to start the privatization process. Of course, if the government were to sell now, before the oil prices sky-rocketed, and they will do that if war does break out in the Middle East, there would be instant profits accruing to whoever makes the purchase.

If oil is a diminishing resource, and we know that for a fact, then whoever buys in will have increased share value similar to what I quoted from the sale of the Polysar Ltd. and Nova Corporation. They almost made four times their investment in a matter of two years. The same thing could happen here. From that aspect alone, we should be taking a hard look to safeguard the investment the Canadian taxpayer already has in this company.

In terms of expanding the mandate, Canada is a very broad and diverse country. We have the ability to produce the ethanol that I spoke of, not only in the Prairies but in eastern Canada as well. That could provide up to at least 10 per cent renewable fuels. It would have to be done in a way that would bring it onstream in a matter of a couple of years.

As I indicated earlier, our conventional oil reserves are going to diminish in the next few years. This would give us the breathing space to bring this on and create the two-fold purpose that I spoke about in my address, that is, lowering automotive emissions by using an environmentally friendly product. I should point out that it has not only been identified as an environmentally friendly product, but the growing of crops to provide the base, the feed stock, or the grain for it would also remove the carbon dioxide from the air.

It is in this context that we should take a long, hard look—a look that entails a lot more than just a few windfall profits the business world will be out there to grab. It should be a long-term look as to what is in the best interest of our economy, our environment, and the people of the nation.

The other benefits that spin off in terms of balance of trade would benefit as well because the products being added to gasoline now in the nation are not manufactured in Canada but rather in nation to the south of us. It also benefits our balance of trade as well as the environment and the diminishing oil reserves, giving them a boost to be longer lasting.

[*Translation*]

The Acting Speaker (Mr. DeBlois): That puts an end to questions and comments. The Parliamentary Secretary to the Minister of Finance has the floor for debate.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, many times during the last six years, you have heard me say how pleased I was to speak to a bill. But never was I as happy as today because Bill C-84 recognizes something the Progressive Conservative Party of Canada really believes in, an economic reality for Canada, and that is the privatization of a company.

I think that the opposition distorted the debate at the outset. This debate is not about the privatization of an oil company but rather about the matter of whether or not our government, our country, should own companies which are competing with private companies. This is the first question we must ask ourselves. And I would answer, as the majority of Canadians have done since 1975, by saying: No, the government should not own companies which are unfairly competing with the private sector. A little earlier, I heard the hon. member for London—Middlesex say: Why buy what we have already bought?

• (1810)

Unfortunately, it is true that, when his political party was in office, they paid a fortune, they spent a huge amount of taxpayers' money to purchase some private companies. But Canadians just like you and I, never wanted to buy Petro-Canada, Petro-Fina, Supertest or any of the others, they never accepted that deal and do not own that business. Canadians do not own Petro-Canada and do not feel like they own it. And that is easy to explain. Since 1975, that is for the last fifteen years, if Canadians had thought they owned Petro-Canada, do you know what they would have done during all that time? They would have bought Petro-Canada products. They would never have dealt with another company, they would have gone to their own company, Petro-Canada. And all the other companies, like Gulf, Shell, Esso, and my colleague from Laval-East could name a few others, would have gone bankrupt.

An hon. member: Sergaz.

Mr. Vincent: Sergaz. Nobody would have bought gas at thoses places if Canadians had had a feeling of belonging, of ownership for a society a governement decided to buy without ever consulting them.

Mr. Langlois: At a high price!

Mr. Vincent: At a very high price, as mentionned and rightly so by my colleague from the North Shore, from the beautiful constituency of Manicouagan, as he would say himself. It is not as beautiful as the constituency of Trois-Rivières, but it is not bad. So, the Canadians do not own it and, I will follow up on his argument as to why we should buy what we already own with an example. When my constituents buy secondhand furniture or old jeans at the Army surpluses and I follow his reasoning, they pay a second time for what their government has already bought. The argument expressed by my colleague from London—Middlesex does not hold water. Both parties, the Liberals and the NDP, are in favour of state-ownership. Privatize means to ensure that the Canadian economy, in whatever sector— and again, I want the debate to be on the level of the principles of nationalization or privatization. We could talk about nationalizing hamburger companies, to have a window on the hamburger market in Canada. We could talk about nationalizing the furniture manufacturing companies in order to know what is going on in the furniture industry.

An hon. member: And toothbrushes.

Mr. Vincent: My colleague points out toothbrushes, but we could go into every sector, nationalize everything, but that is not this government's policy. The Conservative government's policy is to let the Canadian economy and Canadian enterprises work, compete so that Canadian consumers get the best value for their money. This is what we want, and I can say that in my riding of Trois-Rivières people are glad to see that over the last six years we managed to sell 18 Crown corporations which were competing with people of my riding, people who invest time and money.

Let's take the example of a Petro-Canada station near a service station where a good worker was investing time and money to pay for it, make it work, create jobs and pay himself a salary to feed his family. What did we have on the other side of the street? We had a brand new Petro-Canada station which was competing with him, with the help of your taxes. This retailler was saying: "Why is the government doing that to me? I did not do anything to the government. Why do I pay taxes to the government—I work hard to earn a salary and send some money to the government—and it turns around and uses

this money to put a competitor across the street. Why is the government doing this?"

An hon. member: Same thing with me!

Mr. Vincent: I had no answer for him, because there was none. I would say: "You are out of luck, they could have nationalized donuts but, no, they nationalized service stations." This is what the people in the riding of Trois-Rivières have to say. They are happy, as I said earlier, that 18 companies could be privatized, bringing in $3 billion on top of everything. That means that there were $3 billion laying about in Canada, in companies which had the mandate to compete with Canadian tax-paying companies. This is illogical.

No need to own a company to know what is happening in the oil industry in Canada and around the world. There are federal civil servants paid to do that in Ottawa. The provincial Energy departments are dealing with that at the provincial level, and at the national and international levels because of the ramifications. One does not need to set up an office in my riding to know if it is a good idea to invest there. Surely you do not need anything specific to know if such and such company in your riding is a good investment.

It is the same thing with regard to energy. There is a government with a minister and a department to deal with that subject. If what the members opposite 524 were true, then, the Minister of Health and Welfare would need to have his own hospital competing with other hospitals in order to be able to make decisions regarding his department. The Minister of Transport would have to own a truck, car, and plane manufacturing company as well as an asphalt company in order to decide if the asphalt to be used on a national road is adequate. You see how absurd it is to argue that you need to own a company in order to administer the country in a certain field. I could go on with all forty departments, Mr. Speaker.

If the hon. member opposite wants to comment, I suggest he wait his turn.

Furthermore, if we take a look at the energy sector, the situation has changed in Canada since 1975. I see the hon. member for Papineau—Saint-Michel, who knows that constitutionally, the situation has changed since 1975, and the same has happened in the energy sector. The situation has changed and policies have changed. The energy sector as such as changed as well.

Mr. Saint-Julien: The government has changed too.

Mr. Vincent: As the hon. member from Abitibi said, the government has changed as well since 1975. So there is no reason for maintaining a corporation in that sector. We have more Crown corporations to sell off, and my dearest wish is to make them sufficiently viable so we can sell them. The problem is that in 1984, we inherited 400 Crown corporations that didn't have a chance to be profitable.

At the time, taxpayers' money was invested in unprofitable companies that then competed with private companies owned by Canadians who were paying taxes, and those companies were profitable. Try and explain that to the people in my riding! They do not understand, they do not agree and they are right.

That is what we have been doing, gradually, since 1984, and that is why Petro-Canada should be privatized as soon as possible, so that Canadians who have confidence in the energy sector and want to invest in the industry will receive dividends, for a change.

• (1820)

Because for fifteen years they have not received dividends from PetroCan. Canadians who want to invest will be able to do so and to buy shares and if they are not satisfied with them on January 2nd, they will only have to resell them on January 3rd, while today they can do nothing if they are not satisfied with PetroCan. That is the main difference between privatization and government ownership and between the opposition parties and that government that makes decisions and administers the economy of a huge country that has inequalities but must reflect anyhow the policies that are put in place and the economy of the whole country.

The other point one must consider in matters of nationalization and privatization is where the money comes from and what it is used for. When I talk about privatization, I say to Canadians in general, as we did in the case of Air Canada and all the others: you take money out of your pockets, if you want, and you buy shares from a company. Here is its bottom line and we think it is profitable; if you are interested, you buy shares. That is privatization.

Nationalization means telling Canadians: This year, you will pay more taxes, because I need more money, since I decided to buy a furniture company.

Mr. Della Noce: At what price?

Mr. Vincent: At an outrageous price, as it was done in the case of Petro-Canada, formerly Petro Fina. I made the decision to buy a furniture company, so I raise your taxes, because I have to pay for it and, naturally, it is not profitable; evidently, I buy it because it is not profitable. Second, I will tax you a little bit more every year because I must keep it in business. I must tell you also that this unprofitable company I am buying with your income tax money will compete with your own profitable furniture company, one which creates jobs and also pays tax to me. This is what the debate is about today, the difference between privatization and nationalization.

Petro-Canada does not change anything to the price of petroleum products. Nothing at all. Once again, if it charged less than the other companies, it would have gone bankrupt and put itself out of business. Petro-Canada worked in a competitive economic context and did not give better prices to Canadians. It achieved nothing except costing money to Canadians and competing with private businesses, thus distorting the rules of the market.

This is what nationalization did to an oil company, and for a very high price. However, our Progressive Conservative government believes in free enterprise, believes that Canadians are capable of being productive, and they proved it. If we look at statistics since 1984, we see that Canada is now one of the most productive countries in the world. Canadians are capable of being productive, capable to do research and development, capable of being ingenious, of producing goods and selling them at a reasonable price. Because there are more than one capable Canadian producer in a given industry, we have better prices for all consumers. This is free enterprise, this is what the government believes in. Once again, we are talking about Petro-Canada, it could have been Donut-Canada or Hamburger-Canada or Furniture-Canada. Il is a basic principle. The government is here to manage the taxes it collects from Canadian citizens and to provide services that private enterprise is not able to give. This is the major thrust of our policy.

If the unfortunate National Energy Policy implemented by a Liberal Government still existed today—it was abolished five years ago—all experts agree that oil would cost $117 a barrel while a month ago, before the Persian Gulf crisis, it did cost $20 a barrel and now it costs nearly $40 as a result of the international situation.

As you can see, Mr. Speaker, oil costing $117 a barrel would mean gas at the pump costing about $1.10 a litre. In other words, $1.10 a litre compared to 66c.. That is also the difference between a government which allows the market forces and competition to operate fully, and a government which, for the sake of so called higher principles, intervenes in almost every economic field to counteract the economic system and ruin the skills of our Canadian men and women in every industry. This distinction is at the very heart of this debate on Bill C-84, Mr. Speaker.

I have referred to the Liberal Government, but unfortunately the NDP thinks and acts in a likewise fashion, always ready to step in and increase the tax burden of the people they claim to represent. But if every Canadian man and woman went to his or her Liberal or NDP Member and asked: Listen, how much of my income tax this year will go to Crown Corporations which compete with my own company or my employers' company? How much money is there in my tax account? Then, they would have to come clean. What is the answer, Mr. Speaker? Ten, fifteen, twenty per cent of the income tax paid each year to the Federal Government to support non viable corporations which compete with the private sector? Again last week, Mr. Speaker, I got a phone call from one of my constituents concerning a Crown corporation that was awarded a contract because its bid was below cost price. Sure enough the company in my riding did not get the job because a Crown corporation got the contract for less than cost price.

Mr. Della Noce: No sweat, that is taxpayer's money.

Mr. Vincent: No sweat. But he was furious, Mr. Speaker, as you can well imagine. I can think of another word which might not be parliamentary. He told me: It does not make sense, I pay taxes to have that company take contracts away from me. And he is absolutely right, Mr. Speaker, and he said it did not make any sense.

In conclusion, Mr. Speaker, I see my time is running out, and that is unfortunate because I would have a lot more to say about basic principles. I simply want to urge the House to pass Bill C-84 at the earliest opportunity because it will be good for the Canadian energy sector, good for the private sector, and good for the economy of Canada.

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Papineau—Saint-Michel.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I rise at this in time because the member from Trois-Rivières acknowledged my presence and the fact that I was listening to his comments. I must say that he totally misunderstood the fundamental reason for the establishment of Petro-Canada. When he compares that Crown corporation to others, he lachs complete objectivity or at least a basic sens of reality. Why is there a Crown corporation in the energy sector? It's because the previous Liberal administration thought it was essential for the Canadian people to have a significant degree of ownership in a resource as important as oil which is found in abundance in the Canadian soil. Provincial governments also considered essential that there would be Crown corporations in the hydro field. I cannot figure out why the hon. member would not understand that what is useful and really profitable for private interests become public property and that revenues and profits benefit all Canadians instead of being sent abroad.

• (1830)

We know that large oil multinationals have always refused—not only in Canada but everywhere in the world—to share with governments the huge resources generated by the sale of oil products. For many decades, they have been so powerful and have done away with the basic rules of competition in Canada. And when the Canadian government decided to own its company in order to have a window on the energy sector, the conservatives, who have made themselves the champions of multinationals, objected.

When the Canadian government decided to impose a tax on oil production to collect from the start revenues for Canadians, having realized that the big multinationals paid no income taxes in Canada, the Conservative Party opposed this measure and promised, if it ever formed the government, to suppress such a tax that it judged inappropriate.

Interesting enough, the first measure President Reagan took when he came to power was to cancel all antitrust measures against the big oil multinationals. Not surprisingly, the first one taken by the Mulroney government, after its election, was to suppress this tax which the oil multinationals considered unacceptable.

The first measure taken by both Reagan and Canadian croney, Mr. Mulroney, was something done to please the big oil companies!

What is this bill if not but the ultimate concession of the conservatives to multinationals?

The Acting Speaker (Mr. DeBlois): The hon. member has been too long in this Chamber not to know that during the period of questions and comments, he should be as brief as possible. I will therefore ask the hon. member to conclude with his question, without any comments.

Mr. Ouellet: Obviously, Mr. Speaker, if this is a period for questions and comments, you should allow me to make my comment!

I want to ask the following question of the Parliamentary Secretary to the Minister of Finance: What guarantee can he give us that this sale will be dealt with more strictly than other sales of Crown corporations? Everyone knows how Canadian assets were sold out in other cases.

One of the most outrageous cases was the sale of CN Route to friends of the government. The sale of Air Canada did not bring about the expected results—

The Acting Speaker (Mr. DeBlois): Order, please. I have to tell the hon. member that time is running out. I think, in all justice, that the parliamentary secretary to the Minister of Finance should have the floor now.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker—

Mr. Ouellet: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Papineau—Saint-Michel on a point of order.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I respectfully submit that according to our Standing Orders I may use those ten minutes for comments if I wish.

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

I refer the hon. member to a ruling by my predecessor, Speaker Jeanne Sauvé, interpreting—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. DeBlois): Order, please. In that ruling made when our Standing Orders were amended, she set out quite clearly the purpose of the questions and comments period. It should be used for brief exchanges between members on both sides of the House.

In the spirit of that ruling, I shall recognize the hon. parliamentary secretary to the Minister of Finance.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I can understand the frustration of my colleague from Papineau—Saint-Michel who was a member of the Cabinet when Petro-Canada—which was then called Petro-Fina—and the National Energy Program were established.

After reading a few books written by authors who were Liberal cabinet ministers when the National Energy Program was put into place, I realized that, regrettably, ministers were not consulted. The Prime Minister at the time announced this Program without consulting with his ministers and without discussion.

I also want to remind him, Mr. Speaker, that he said: "The first thing the Conservative government did after being elected in 1984 was abolish the National Energy Program, as they had promised during the election campaign." He is right on this point.

Mr. Della Noce: We kept our promises!

Mr. Vincent: First, we promised it; second, we got elected; third, we did it; fourth, we got re-elected, Mr. Speaker, on top of it all.

Some hon. members: Hear, hear.

Mr. Vincent: You must remember this.

Therefore, Mr. Speaker, I think we fulfilled the mandate the Canadian people gave us with regard to the National Energy Program, which had nothing to do with the big oil companies, as my colleague was trying to explain.

His question was: What will be the guarantee on the sale of Petro-Canada shares? I will answer him that this guarantee will be 100 times better—

An hon. member: And more honest!

Mr. Vincent: —than the purchase of Petro Fina's shares in 1975, purchase that got lost in the bank accounts—

An hon. member: All Liberal bagmen became rich.

Mr. Vincent: —of acquaintances of people in the then Liberal government. That is how the shares of Petro Fina and other corporations were purchased.

The guarantee we give in this situation is there will be a law, there will be investment dealers who, by definition, are controlled by independent legislation that provides for an examination of the whole process. I think it will be ten times better.

In conclusion, I say in response to my colleague that since Petro-Canada will be held by Canadians, since its shares will be held by Canadians, the dividends and profits will not fall into the hands of foreigners. They will fall into the hands of Canadians, and that is what we want, Mr. Speaker.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): The question and comment period is over. Resuming debate. The hon. Member for Humber—St. Barbe—Baie Verte. We still have five minutes.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, as you have just indicated, I only have five minutes to participate in this debate. That is not a lot of time to deal with a matter like the privatization of Petro-Canada, Bill C-84.

Let us be blunt about our language today in dealing with this bill, because there has been an awful lot of nonsense, most recently by the Parliamentary Secretary to the Minister of Finance, being spewed about this House.

• (1840)

We are not dealing with the privatization of Petro-Canada, a 15 per cent share offering. That is an unmitigated farce. The Government of Canada is selling off Petro-Canada lock, stock and barrel, 100 per cent. There is nothing in this bill that limits the share offering to 15 per cent. There is nothing to indicate it will only be a partial privatization. It is a full privatization. It is a giveaway of another national asset, but this government

lacks the courage or the integrity to say so. That is what is happening.

What is going on in Canada today with a government that languishes for the last five months at 15 per cent in the polls, that is despised in this country, is analogous to what is happening to Kuwait. There was not an invasion. There was a democratic election. However we have a regime in Kuwait today that knows it is not staying there for very long. While they are there, the people, the army of Iraq, the army of Saddam Hussein, is plundering Kuwait. They are taking away the furniture. They are taking away the wealth of the nation. They are stripping the assets of the nation. This government, at 15 per cent in the polls, knowing that at the next election it is finished, on behalf of is corporate friends in whose pockets it lives, is stripping away the assets of Canada. That is what is happening today.

Some hon. members: Hear, hear.

Mr. Tobin: This is the government that sold Route Canada, part of a Crown corporation, with all of the same rhetoric and rationale we heard today, to an individual who could not even qualify for a credit card.

My God, Mr. Speaker, is there no depth to depravity, the ideological foolishness of this party? Imagine selling a $35 million asset to a Canadian whose only qualification was his Tory membership cards because his credit cards had been cancelled. Can you believe it, Mr. Speaker?

That is the mentality of that party. It sold Air Canada. It was going to do great things in the marketplace. It was going to flourish. It was going to change the Crown corporation involvement and fly even higher. What has Air Canada done? It has laid off 3,000 employees and financially it is going down.

The Conservatives sold off Fisheries Products International. They were going to unshackle Fisheries Products International. It was going to fly in the corporate world and what has happened? Its shares have died down and we have a disaster, people bleeding left, right and centre, all over the place in the fishery.

Let us not waste time, in the few minutes we have left, with subtle language about the free market. The free market implies competition. That is what it means: competition. However, what is happening in Canada? We have an incredibly concentrated energy sector, incredible concentration. That is not competition. That is capitalism, not free enterprise. That is the resources of the nation in the hands of a few for the benefit of the few and not for the nation as a whole. That is what we have. That is the creed of the Conservative Party as it strips away the assets of this nation.

We have a sector now that is dominated by U.S. interests and by U.K. interests or British interests. That is the reality and the one lever, if only this government had the guts to use it, and it hasn't. It is the one ability to have some say about the rip-offs that are currently going on at the gas pumps.

Look at this. Today, in *The Ottawa Sun*, third quarter profits of all of the oil companies in Canada have doubled, tripled, and quadrupled; amazing increases, and nothing but the sound of silence from members opposite.

It is time for these members, these plunderers of the national assets, to crawl out of their corporate pockets, go back and face their constituents, stand up for Canada, and protect the assets of this nation. The plunder must stop and stop soon.

Some hon. members: Hear. hear.

The Acting Speaker (Mr. DeBlois): It being 6.45 o'clock p.m., pursuant to order made in accordance with the provisions of Standing Order 78(3) on Tuesday, October 23, 1990, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

The House divided on the amendment to the amendment, which was negatived on the following division:

(Division No. 308)

YEAS

Members

Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Baker
Bellemare	Benjamin
Berger	Blackburn (Brant)
Blondin	Boudria
Butland	Clancy
Dingwall	Ferguson
Foster	Fulton
Gaffney	Gardiner
Gauthier	Gray (Windsor West)
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Jordan	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lee	MacAulay
MacLaren	MacWilliam
Marleau	McCurdy
Nault	Ouellet
Pagtakhan	Parker
Peterson	Rodriguez
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Taylor	Tobin
Vanclief	Waddell
Walker	Whittaker
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—58

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Blenkarn	Bourgault
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Casey	Chadwick
Clifford	Cole
Collins	Cooper
Corbeil	Corbett
Côté	Crosby (Halifax West)
Darling	Della Noce
Desjardins	Dobbie
Domm	Dorin
Fee	Ferland
Fretz	Friesen
Greene	Grey (Beaver River)
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Horning	Hudon
Hughes	Jelinek
Johnson	Joncas
Jourdenais	Kindy
Langlois	Larrivée
Layton	Lewis
Loiselle	Lopez
MacDonald (Rosedale)	MacKay
Malone	Masse
McCreath	McDermid
McKnight	Merrithew
Mitges	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Porter
Pronovost	Redway
Reimer	Richardson
Roy-Arcelin	Saint-Julien
Schneider	Scott (Victoria—Haliburton)
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Thacker	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vien	Vincent
Weiner	Wilbee
Winegard	Worthy—104

• (1910)

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

Amendment to the amendment of Mr. Harvey negatived.

Mr. Dingwall: I rise on a point of order, Mr. Speaker. I think you might find the disposition of the House to apply the division on the subamendment to the amendment of my colleague from Scarborough—Rouge River, and for the reverse to apply on the main motion of the government.

Mr. Hawkes: Mr. Speaker, as usual, consultations have been productive. I just want to confirm that that would be acceptable to government members.

The Acting Speaker (Mr. DeBlois): Is that agreed?

Some hon. members: Agreed.

The House divided on the amendment of Mr. Lee, which was negatived on the following division:

(Division No. 309)

YEAS

Members

Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Baker
Bellemare	Benjamin
Berger	Blackburn (Brant)
Blondin	Boudria
Butland	Clancy
Dingwall	Ferguson
Foster	Fulton
Gaffney	Gardiner
Gauthier	Gray (Windsor West)
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Jordan	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lee	MacAulay

MacLaren
Marleau
Nault
Pagtakhan
Peterson
Samson
Skelly (North Island—Powell River)
Speller
Taylor
Vanclief
Walker
Young (Acadie—Bathurst)
MacWilliam
McCurdy
Ouellet
Parker
Rodriguez
Simmons
Skelly (Comox—Alberni)
Stewart
Tobin
Waddell
Whittaker
Young (Beaches—Woodbine)—58

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Brightwell
Cadieux
Casey
Clifford
Collins
Corbeil
Côté
Darling
Desjardins
Domm
Fee
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Johnson
Jourdenais
Langlois
Layton
Loiselle
MacDonald (Rosedale)
Malone
McCreath
McKnight
Mitges
Moore
Oberle
Plourde
Pronovost
Reimer
Roy-Arcelin
Schneider
Siddon
Soetens
Stevenson
Thacker
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
Winegard
Andre
Attewell
Bernier
Bird
Blais
Bourgault
Browes
Campbell (Vancouver Centre)
Chadwick
Cole
Cooper
Corbett
Crosby (Halifax West)
Della Noce
Dobbie
Dorin
Ferland
Friesen
Grey (Beaver River)
Halliday
Hawkes
Hockin
Horner
Hudon
Jelinek
Joncas
Kindy
Larrivée
Lewis
Lopez
MacKay
Masse
McDermid
Merrithew
Monteith
Nicholson
O'Kurley
Porter
Redway
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thorkelson
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wilbee
Worthy—104

The House divided on the motion of Mr. McDermid, which was agreed to on the following division:

YEAS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Brightwell
Cadieux
Casey
Clifford
Collins
Corbeil
Côté
Darling
Desjardins
Domm
Fee
Fretz
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Hughes
Johnson
Jourdenais
Langlois
Layton
Loiselle
MacDonald (Rosedale)
Malone
McCreath
McKnight
Mitges
Moore
Oberle
Plourde
Pronovost
Reimer
Roy-Arcelin
Schneider
Siddon
Soetens
Stevenson
Thacker
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
Winegard
Andre
Attewell
Bernier
Bird
Blais
Bourgault
Browes
Campbell (Vancouver Centre)
Chadwick
Cole
Cooper
Corbett
Crosby (Halifax West)
Della Noce
Dobbie
Dorin
Ferland
Friesen
Grey (Beaver River)
Halliday
Hawkes
Hockin
Horner
Hudon
Jelinek
Joncas
Kindy
Larrivée
Lewis
Lopez
MacKay
Masse
McDermid
Merrithew
Monteith
Nicholson
O'Kurley
Porter
Redway
Richardson
Saint-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thorkelson
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wilbee
Worthy—104

NAYS

Members

Angus
Assad
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Blondin
Butland
Dingwall
Foster
Gaffney
Gauthier
Harvey (Edmonton East)
Hovdebo
Jordan
Keyes
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Baker
Benjamin
Blackburn (Brant)
Boudria
Clancy
Ferguson
Fulton
Gardiner
Gray (Windsor West)
Heap
Hunter
Karygiannis
Kilger (Stormont—Dundas)

Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lee	MacAulay
MacLaren	MacWilliam
Marleau	McCurdy
Nault	Ouellet
Pagtakhan	Parker
Peterson	Rodriguez
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Taylor	Tobin
Vanclief	Waddell
Walker	Whittaker
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—58

Motion agreed to, bill read the second time and referred to a legislative committee.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 7.15 p.m., the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 7.15 p.m.

HOUSE OF COMMONS

Tuesday, October 30, 1990

The House met at 11 a.m.

Prayers

Mr. Speaker: The hon. member for Thunder Bay—Atikokan on a continued question of privilege.

[*English*]

PRIVILEGE

STANDING COMMITTEE ON TRANSPORT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, almost two weeks ago, on October 18, I rose and asked you to rule on whether or not the privileges of myself and other members have been breached by the boycott of the transport committee. While you continue to deliberate on that issue, I would like to raise a second related question of privilege.

I ask you to look at the failure of the government Whip to call an organizational meeting, as provided for in paragraph 579 in Beauchesne's Fifth Edition. It is only through his action that the committee can elect a chair and operate as the House intended when it struck the standing committee.

I ask you to rule on whether this failure to act impedes members of the House in the performance of their general duties on committee and, in particular, whether it prevents members of this House from performing the specific duty of reviewing the Order in Council appointments of two important transport officials. My arguments that there is *prima facie* case of privilege will be very brief.

A few years ago the House examined the operations of the House with a specific goal of increasing the role of private members. The Special Committee on Reform of the House, chaired by the former member, James McGrath, made several suggestions which were adopted by the House. Among these suggestions was a mechanism to enable House committees to review Order in Council appointments. This empowerment of House committees provided for an accountability of the executive power to appoint and thus a check on abuse of patronage appointments.

The Standing Orders which govern the procedure are 110 and 111. Briefly, these rules provide that Order in Council appointments shall be tabled in the House within five days of their being gazetted and that they are automatically referred to a standing committee. The committee then has 30 days to make a decision on whether or not to summon the appointee and, if it decides to do so, a further 10 days to hold a hearing.

I do not think I can understate how important this right of review is to the proper functioning of Parliament. It is the only mechanism available to Canadians, as Standing Order 111(2) states, to "examine the qualifications and competence of the appointee or nominee to perform the duties of the post to which he or she has been appointed or nominated".

Yesterday, the government tabled two Order in Council appointments and referred them both to the Standing Committee on Transport. One is the appointment of the Deputy Minister of Transport, the other is the appointment of the Associate Deputy Minister of Transport. These are extremely important appointments. These two individuals will be charged with the day-to-day operations of one of our largest government departments. Yet, as things currently stand, I will be unable to ask the transport committee to summon these two important individuals. The committee will not be able to make a decision to summon them or not. The House of Commons will not be able to ask them to demonstrate their ability to meet the requirements of this public office.

It may be submitted that the government has another 28 days to call a meeting of the transport committee in order to enable it to review these appointments. I think there is evidence that they do not wish to call such a meeting.

Yesterday, the government introduced a motion to refer an important transport matter, the issue of open skies, to a special committee of the House. I was party to

the original negotiations to refer this to the Standing Committee on Transport. Surely, if the standing committee were to meet soon, the government would have continued with its original plan.

In conclusion, I submit that the following establishes a prima facie case that the ability of members to fulfil their roles and responsibilities is being impeded by the chief government Whip. First, the Standing Committee on Transport is not meeting and cannot meet until the government Whip calls an organizational meeting. Second, the motion to establish a Special Committee on Transport is evidence of their intention to not call a meeting of the Standing Committee on Transport. Third, the appointments of the deputy minister and associate deputy minister have been referred to the Standing Committee on Transport. Fourth, until the Transport Committee meets, organizes, and elects a chair, I nor any other member of the House can ask for these appointees to come to committee. And, fifth, there is every indication that these appointments thus not be reviewed.

• (1110)

I apologize for taking up so much of your time, and the time of the House. I hope with your guidance, this entire matter can be resolved. If you find there is *prima facie* evidence, I would be delighted to introduce a motion to refer the matter to committee, in this case, not the Standing Committee on Transport.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise to support, very briefly, the comments just made, but I want to add one or two further elements as well.

There is an additional Standing Order of the House which I believe is being breached by the action of the government in this case, namely, Standing Order 106. The Speaker will recall that when the question of privilege was raised in the House the last time, the Committee on Transport had been asked to sit, pursuant to Standing Order 106 and Standing Order 108. They refer to a committee meeting further to a request by hon. members, having petitioned the chairman of the committee and causing it to meet for the purposes of studying a specific issue.

My colleague, the hon. member for Hamilton West and others, made exactly that request but by not providing the sufficient number of members in order to cause a quorum, the government made it impossible for the committee to choose a chairperson of that particular committee.

The Standing Orders were not followed by this particular action. That is very regrettable because the committee, at that time, wanted to study the issue of the Hamilton Harbour, which is a very important issue, brought to the attention of the House by my colleague, the hon. member for Hamilton West. In spite of specific Standing Orders enabling members to refer such matters to the committee and in spite of the action having been taken by a group of hon. members of the House, the committee has never studied it. The government's action thus has caused a breach of yet another Standing Order, in addition to the one raised by our colleague, the hon. member for Thunder Bay—Atikokan, earlier today.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think the hon. member for Glengarry—Prescott—Russell has just provided the House with the arguments relevant to the reality that the orders in our Standing Orders are being obeyed. Standing Order 106 does govern the situation, to some extent, and the House is acting as if Standing Order 106 were be attended to in the way that it should.

I want to go back to the arguments raised by the Whip for the New Democratic Party and I think that part of what he said is that something could occur only through my actions, as the chief government Whip. That is simply not correct. With regard to the responsibility of the Striking Committee, Standing Order 104(1)(a) reads in part:

> —within the first ten sitting days after the Monday following Labour Day, lists of Members to compose the standing committees of the House and to act for the House on standing joint committees—

That is a responsibility which the committee I chair has and we met that obligation and reported to the House on October 5. Standing Order 104(1)(b) states that we may not report to the House again any earlier than the end of this calendar year.

We have a single report from the committee. The Standing Order says that can be the only report for this fall session related to the composition of committees of the House. We have done that.

I sought the unanimous consent and in all of our parliamentary history that has always been given for the formation of new committees, up until this fall. The McGrath committee report on reform of Parliament indicated that this should happen once a year so that members' privileges related to their membership on committees are protected and protected adequately, and that was done. But Standing Order 104 also states that we should have an opportunity to change those committees at the commencement of the fall session, each year. That is what should be happening in the House.

If we need to divide, that is fine. We should be dividing on that Striking Committee report. That is the remedy not only for the transport committee and the issues raised by the New Democratic Party Whip, but for some other situations as well that are becoming somewhat burdensome for members on all sides of the House.

During the course of the summer it is not unusual for opposition parties to change critics, as an example. It is not unusual for governments to change parliamentary secretaries and/or cabinet and responsibilities of one kind or another. That is what the summer in part, traditionally, has been for. We have Standing Order 104 so that we can then go into the fall session with those new assignments clearly related to the formation of committees.

I think the division on the members of the striking committee is simply one related to the size of our standing committee. The majority of members of the House, I think, feel clearly that those standing committees should be small rather than large.

If you look back on the attendance of those committees for the last couple of years, you will find that the poorest attendance relates to the committees that have been large. The best attendance relates to the committees that have been small.

I think you will find in particular that the obligation to be in attendance in the large committees has not been fulfilled more often by the opposition members than by government members. Attendance difficulty relates to their caucus and their sense of responsibility. It is difficult sometimes to be a critic in the full sense and also to be a member of the standing committee and to meet both those obligations day in and day out. Certainly the attendance records of the House would show that.

We have had one other departure from normal over the summer, Mr. Speaker, in that we now have an abnormally large number of independents in the House. There are 13. Approximately 10 per cent of the opposition in the House is represented by independents. The striking committee report reflects that reality and provides a place on a proportional basis or reasonably so for independents in the House to participate in the standing committees of the House in a direct way, including a vote.

We did our best as a striking committee. If the opposition members who spoke earlier this day would like to divide on that committee report right now or later when we are called to the House perhaps for another division later this day, at any convenient time government members would be quite prepared to face that division, and if the committee report were affirmed, we would be off with the new committees. If it were rejected by the House then we would have to consider that situation in light of our standing orders.

It is incorrect, Mr. Speaker, to say that my action constitutes the remedy for the dilemma which the New Democratic Party proposes. The remedy, according to our standing orders, should be the normal practice of the House on accepting the striking committee report which was tabled in this House on October 5. That is about 25 days ago. Certainly in my conversations with members on all sides of the House, they would prefer that the striking committee report be accepted. That would be the preferred model I think for most, if not all, members of the House, but the only way we would know that for sure is simply to divide.

I would ask that you seek unanimous consent at this point to divide on that issue now and then I think you could avoid having to rule on the question of privilege.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my remarks will be brief, too, but I feel I must add to this argument being put to you and I hope that you can come to speedy resolution on the situation.

The chief government Whip is speaking on two considerations for your deliberation. On the one hand he regrets the process being undermined because in part 106, the part of the situation he claims he is in because of the situation of appointing a chairman to those committees. On the other hand, the chief government Whip has

no problem with making two government appointees that must come under the consideration of the transport committee.

I do not understand how on the one hand he can make one claim and on the other take action which is in need of examination by the hand that he says he cannot do anything with. It makes no sense to me. This job is frustrating enough with all its rules and regulations without having points of argument put forth by the chief government Whip as has been presented to us today.

• (1120)

On the other point of order, Mr. Speaker, I rose in this House on a point of privilege because I feel that my privileges have been directly breached in that when I put Standing Order 106(3) to the transport committee, a conscious effort was made to ensure that members of the Conservative Party were not in attendance at that meeting of transport.

What I remind you, Sir, to consider in your deliberation is that when I asked the parliamentary secretary how many of his members were going to attend that committee meeting, his response was: "I am not sure. You will have to wait and see". That was not it, Mr. Speaker. His response directly to me was: "Stan, none are showing up today". That is a deliberate handcuffing of the committee.

Mr. Boudria: It is true. I was there.

Mr. Hawkes: Mr. Speaker, it is not normal in this Chamber for one member to claim that another member said something when that member is not here to deny or refute it. That is inconsistent with other rulings from the Chair on other occasions.

Mr. Speaker: Perhaps the hon. member for Hamilton West could conclude his remarks and then we will hear him.

Mr. Keyes: Mr. Speaker, you have my remarks now on the record, just as the fellow member of the transport committee, the member for Thunder Bay—Atikokan, has quite concisely put the argument to you.

I would hope, Sir, that you would come to a speedy resolution on this debacle.

Mr. Boudria: Very briefly. Earlier on I referred to Standing Order 106. To be more precise, that was Standing Order 106(3) of our rules.

Mr. Speaker: The hon. member for Kingston and the Islands, briefly. Then I will come back to the hon. member for Thunder Bay—Atikokan.

Mr. Peter Milliken (Kingston and the Islands): Very briefly, Mr. Speaker. The chief government whip has requested that there be unanimous consent of the House to vote on the report of the striking committee. We are quite prepared to debate the report of the striking committee in this House and would like the opportunity to do so.

I would be delighted if the government on motions today would move one of the motions it has for concurrence in the report and debate it. I understand the government House leader does not want to do that. He would like to proceed with the government bill.

If the government Whip is prepared to move the adoption of the report, we are quite prepared to have a debate. Of course, ultimately, there will be a vote. But we feel it should be discussed in this House because what the government is doing to the committees of this House is wrong.

Mr. Angus: Mr. Speaker, I do not want to belabour the point. There are two items I need to raise, though. The chief government Whip made reference to the standard practice of the House adopting the striking committee report unanimously and without debate.

I would suggest to you, Sir, that the past practice of the striking committee report tended to be a unanimous report. It was not unanimous because there is a fundamental disagreement as to the proposal by the government to reduce our membership on a number of committees; from two members down to one.

The irony, Mr. Speaker, is that one of the most highly attended committees is the transport committee where we have had, in fact, more members in the opposition than we had seats at the table. It is one that we worked hard at to pursue the matters of transport.

I would also just like to add that we, too, would be happy to debate this at great length. Almost every one of my members is excited about the possibility of getting into this debate and that would also mean that a lot of House time would be used up.

Obviously the government has to make a decision as to whether it wants to continue to pursue the striking committee report, which I am advised is amendable in this House. Regardless of the standing order that says that we report only once per year, that report is not only debatable, it is amendable.

At any time the striking committee could meet. Whether it is a striking committee or a meeting of the Whips, they could meet to work out a new approach that perhaps deals in some way with the government's concern about its ability to drag bodies back in from the constituencies in order to ensure that committees function in the way that the government would like them to, while at the same time protecting our membership.

I think there are options available that have not been explored yet, Mr. Speaker, but I would hope that your ruling would come down reasonably soon and provide us with some new direction.

Mr. Hawkes: Mr. Speaker, members opposite will know that it is a longstanding practice of the House that members with an interest in committee meetings can attend these meetings.

With very few exceptions, members who come and who are not normally members of the committee have a chance to participate. There is nothing in the striking committee report that obviates that basic principle.

If there are 10 members who want to come to transport, that is certainly something they could do. What we are talking about in terms of striking committee report and the size of the standing committees of the House is simply how many votes need to be cast.

We are paying close attention to the proportionality of the House, whether we are talking about a large committee or a small committee. We are simply talking from our point of view about whether members have to sit to warm a chair because we do not believe that that was the intent of McGrath.

We thought the intent of McGrath was for members to be knowledgeable, to be consistent in their attendance and to provide the House with good advice.

The suggestion has been made that we engage in a debate. If the motion is moved at any time during Routine Proceedings after notice, there is a two-hour debate. If people filibuster, then it is simply transferred to Government Orders and it has to be recalled as part of government business down the road. That is a very time consuming proposition for the House.

I make two suggestions to the members opposite. We might want to discuss it at the House leaders meeting later this day to see if we could come to a limited debate. If that is really what they want or if they want to filibuster the situation, it depends. We could go immediately to a division, which was my suggestion.

I would still like you, when I am done, to put that to the House. Is there unanimous consent for an immediate division on the principle? I think that would serve the House best in terms of getting on to resolve the problems that exist out there.

Mr. Speaker: This matter was raised some days ago, and I have reserved on it.

I will consider very carefully what was said and include the representations that I have heard in my report back to the House.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 28 petitions.

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

GOODS AND SERVICES TAX

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have the honour and in some sense the pleasure this morning to present a petition under Standing Order 36 signed by a total 346 residents—mostly of Edmonton, but of other points in Alberta as well—calling on Parliament to reaffirm the historic principles embodied in tax free status for the printed word by retaining the zero rate in the GST legislation and regulations.

Especially in this year of literacy, that would seem to be sound advice indeed for the government.

VIA RAIL

Mr. Joe Fontana (London East): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present petitions to this House.

The petitioners are from Thunder Bay and London, Ontario, and other points where in fact people have been adversely affected by the VIA cuts. They ask Parliament and the government to rebuild VIA Rail, to give it an increased mandate to serve the public, especially in light of the great concern of Canadians about the congested highways and the environment.

CANADA POST

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a pleasure and an honour for me to stand today under Standing Order 36 to present two separate petitions.

The first comes from the good residents of Industrial Park in Halifax.

• (1130)

They call on the government to make improved service the highest priority of Canada Post and to instruct the government to abandon this policy of closing rural and urban post offices.

The petitioners recognize that postal services are a very essential and very important service to the members of that community and many others. They are calling on the government to cease dismantling of that excellent service.

NORTHERN TAX BENEFITS

Mr. Cid Samson (Timmins—Chapleau): Further, Mr. Speaker, I have quite a number of petitions signed by residents from many, many different areas of the north: Moose Factory, Timmins, Wawa, and Iroquois Falls, to name but a few—

An hon. member: South Porcupine.

Mr. Samson: South Porcupine, to name another one. They are calling on Parliament to reject the recommendations of the committee report and to develop a fair and equitable tax benefit program for northern residents.

They are asking the Minister of Finance to recognize the financial needs of the people in the north and isolated areas and to reject the report put forward by the committee.

VETERANS' ALLOWANCES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present a petition signed by a number of constituents of the Alexandria area.

These people are calling upon Parliament to ask the government to reject the budgetary measures that would cut back on veterans' benefits and allowances.

BILL 178

Mr. Don Boudria (Glengarry—Prescott—Russell): I also have a second petition, Mr. Speaker, that it is my duty to present in this House. The members across will understand why I use the word duty.

These people are asking me to present a petition to ask the Governor General to disallow Bill 178 of the province of Quebec.

Even though it is my duty to present this petition, it should not be misconstrued as my agreement with it, because it is not.

CANADA POST

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the honour to present a petition from 1,044 of my constituents who reside in the Alberni Valley and who are complaining about the drastic cut-backs in service by Canada Post in the Alberni Valley.

Canada Post has cut of the drive-through mailbox services. It has taken local sorting out of the community and transferred it to Nanaimo, resulting in the loss of several jobs in Port Alberni. My constituents feel that if the management of Canada Post was not under the ideological protection of the Conservative Party, it would have been fired in a minute.

My constituents therefore request that Canada Post Corporation be instructed to keep existing outlets, operate longer hours, expand revenue generating services, stop privatizing and start increasing services to raise revenues.

GOODS AND SERVICES TAX

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I have the honour to place before the House a petition protesting the implementation of the Mulroney GST.

The petition appeals to the House of Commons to rescind this repressive element of taxation. It is presented by residents of Iroquois Falls, Timmins, and Moose Factory. It also acknowledges the intent of the residents of Powell River, British Columbia to cash in every single Canada Savings Bond and to cancel their payroll deduction as a protest to the implementation, without a mandate, of the Conservative government GST.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C-83, an Act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, in my introductory remarks to begin today's second reading debate of Bill C-83, I intend to deal lightly with technical details and concentrate more on the broad objectives we will achieve through reform of legislation and regulations governing federal financial institutions.

As you are aware, Mr. Speaker, the trust and loan companies bill we are considering today is the first of several bills that, along with new regulations, will modernize the rules governing federal financial institutions.

Other bills will include the Bank Act, the Insurance Companies Act and the Cooperative Credit Associations Act and related statutes. All of the new statutes are to come into effect on the same date.

The government's reform will break down barriers among the pillars of the financial sector—banking, insurance and trust and loan companies—and allow financial institutions to compete more directly with each other.

[*English*]

The trust and loan companies bill and the subsequent bills and regulations contain four essential elements. First, they establish rules for an ownership policy that allows for both closely held and widely held institutions.

Second, they establish a new framework for competition in the financial sector through the removal of many of the remaining rules that presently restrict institutions from fully competing with each other.

Third, they update prudential safeguards to reflect the new world in which financial institutions will operate.

Fourth, they modernize old statutes by adopting rules and procedures modelled on the Canadian Business Corporations Act.

[*Translation*]

The reform, Mr. Speaker, maintains wide ownership for Schedule I banks, including the six largest Canadian banks. This ensures that no one person or group of associated persons can own more than 10 per cent of any class of bank shares. These requirements are consistent with international rules and practices about the ownership of banks.

Large trust, loan and stock insurance companies will be required to ensure that at least 35 per cent of their shares are widely held and publicly traded within five years. Significant changes in the ownership of financial institutions will be subject to approval by the Minister of Finance, who will take account of whether transfers are in the best interests of the Canadian financial system.

Although these rules may appear to be technical adjustments, or tinkering, they are significant in part because they represent adjustments to an industry that is of major importance. All Canadians will be affected by

these changes—and for the better. The sheer magnitude of the industry makes an impact on Canadians inevitable.

There are more than 3,000 Canadian financial institutions, with assets of some $900 billion. Canada's 25 largest financial institutions hold assets of more than $760 billion. A total of 23 of these institutions are federally incorporated 23 out of 25.

The manner in which the federally incorporated financial institutions serve the needs of Canadians will be directly affected by the legislative and regulatory reforms we have announced. I sincerely believe, Mr. Speaker, these institutions will operate more effectively and competitively, and that they will be more accessible to meet the objectives of Canadians.

• (1140)

We must not forget that the money handled by Canadian financial institutions funds the mortgages of Canadians, finances our automobile puchases, shelters and invests our savings, and makes available the investment needed for new or expanded industries and businesses. The success of these institutions is key to our economic success, as well as our security as savers and investors.

Because of the particular importance of financial institutions in channeling savings to finance economic growth, it is essential that they be sound, innovative, dynamic and internationally competitive.

The challenge has been to develop a regulatory approach that protects the public while it encourages, rather than inhibits, innovation and efficiency in our financial sector. Mr. Speaker, I believe that we have met that challenge.

[*English*]

The objectives of this reform of financial sector legislation are to enhance protection for depositors and policyholders. They are also to benefit consumers by increasing competition and the spectrum of services offered by financial institutions. It will strengthen the ability of Canadian financial institutions to compete at home and abroad. It will lay the groundwork for harmonization discussions with the provinces. This is very important.

These goals will be achieved under the new legislative framework and regulations.

[*Translation*]

Honourable Members will recognize that in order to protect consumers, the government had already tightened up prudential rules in 1987. These will now be further strengthened, including additional enhancements to the supervisory system. I know that the hon. member for Nickel Belt, who monitors these issues very closely, will be very interested in this aspect of our legislation. For example, tougher self–dealing rules will be implemented, the self–policing role of directors and auditors will be made more effective through mandated roles and responsibilities, and the Superintendent of Financial Institutions will have increased powers to require information that will enable problems to be anticipated. The Superintendent of Financial Institutions is therefore being given the kind of access he did not have before.

Consumers will find shopping for financial services more convenient and will benefit from a wider choice of financial products since banks, trust and loan companies and insurance companies will be allowed to compete more directly with each other. The interests of the consumer will continue to be protected.

For example, the new Bank Act would also include the service charge disclosure provisions now contained in Bill C–9, which is before Parliament. By opening new avenues of growth for Canada's financial institutions the new regulations will strengthen the ability of these institutions to meet the new challenges that have evolved in the global marketplace.

Financial institutions will be able to diversify by owning institutions operating in other segments of the financial services industry. For example, banks and insurance companies will be allowed to own trusts; in addition, trust and loan companies and banks will be permitted to own insurance companies.

Together, Mr. Speaker, these proposals set out a framework for fair competition that will allow all insitutions to participate.

[*English*]

However, we are all aware that there are competing interests within the financial institution community which cannot be completely reconciled. In those cases we have sought a reasonable balance. For example, banks and trust and loan companies will be restricted from offering most insurance services, and retailing of most insurance products in branches of deficit taking

institutions will be prohibited. This ensures that insurance will continue to be sold by qualified licensed insurance brokers and agents working independently of any deficit taking institution.

At the same time, however, banks and trust and loan companies will be given the power to promote goods and services, including insurance to their credit hard holders. The government has spent considerable time consulting on its proposals with financial institutions and their associations. It has integrated these views with its continuing analysis of the needs of an evolving and dynamic market, both nationally and internationally. This process has led to firm, pragmatic policy decisions that are being put forward to Parliament.

[*Translation*]

This exercise in re-regulation represents a balancing of individual, national, international, federal-provincial and commercial and prudential concerns that will, as a package, serve the public interest well and permit our financial institutions to get on with the job.

The measures set out a framework for strong national institutions that serve the national interest. The reforms also respect provincial rights of supervision and authority in the financial sector.

There is a need for greater consistency among federal and provincial rules in order to avoid balkanization of regulatory regimes and permit our institutions to compete more effectively at home and abroad.

The new legislation and proposals take into account a number of concerns that have been expressed by the provinces regarding matters such as commercial links, the in-house trust powers of banks, and provisions allowing for improved sharing of information among federal and provincial supervisors of financial institutions. This opens the door to in-depth discussions with the provinces to clarify responsibilities for the supervision of financial institutions.

Co-operation between federal and provincial authorities is the most responsible way of ensuring the stability and growth of our national and regional financial institutions. This would reduce the possibility of regulatory and supervisory duplication.

The goal, Mr. Speaker, is to avoid, in pratical terms and to the degree possible, the multiple regulation of federal and other institutions operating in several jurisdictions. This approach could be designed to have institutions regulated as much as possible by their jurisdiction of incorporation.

[*English*]

Mr. Speaker, I believe we have much work before us. I hope that I can count, and I am sure that I can, on the co-operation of the House in expediting consideration of the bill now before us as well as the other bills that are to follow.

I believe that in the interests of consumers and in support of increased competitiveness for Canada's financial institutions, it is time for us to get on with the business of reform.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased to be able to speak in favour of the motion for second reading of Bill C-83 regarding financial institutions. I am pleased to do so mainly because modern legislation is urgently needed by the financial industry and we, as legislators, have a duty to help them compete in the new global market.

We also have an equally important duty to protect consumers and ensure the soundness of the financial system in Canada. I believe that all of these interests will be best served by getting this bill past second reading and into committee. Once in committee, we intend to conduct a very thorough study of the legislation.

• (1150)

The need for financial sector reform has become so urgent because this government has been incredibly slow in responding to the needs of the industry with new modern legislation.

The Conference Board of Canada refers to the: "repeated delays in financial sector reform and the urgency for policy makers to move ahead with new legislation in this area". It is in this spirit that we will be supporting this motion.

When the Minister of State for Finance last month tabled this trust and loan company bill and released the policy paper concerning banks and insurance companies, we in the opposition and those in industry, were extremely pleased because this government had finally decided to act. We were disappointed, however, that the government only introduced a policy paper on banks, not

a new Bank Act. We were disappointed for two reasons. One, without a new Bank Act, the government's picture of financial system reform remains incomplete. Two, the current act expires in five months, and when the act expires banks lose their licences.

Last week, the minister did introduce a last-minute bill that would extend the current Bank Act one year until April, 1992. This will prevent the chartered banks from losing their licences, but this last minute piecemeal approach has been typical of the way this government has been handling financial reform and many other matters.

The government's policy process started about five and a half years ago. First there was the green paper in April 1985, followed a year and a half later by a blue paper in December 1986. That was followed by promise after promise after promise by this government that new legislation was coming soon. The industry waited and waited and waited. Soon, it turned out, meant not in six months, or even in 12, soon turned into four years, during which the Canadian financial industry watched their global market share tumble.

For example, look at the Royal Bank, Canada's largest. According to the Economic Council of Canada, the Royal Bank ranked sixteenth in the world in terms of assets in 1981. Today, it is around 57th. In nine years the Royal Bank went from being 16th down to 57th. Consider the fact that during the early 1980s we had four banks in the top 50. Now we have none. Even countries much smaller than Canada, such as Switzerland, Hong Kong, and the Netherlands boast larger institutions than our own.

Look at international loans. Canadian financial institutions make only 3 per cent of the world's international loans versus almost 8 per cent seven years ago. That is a tremendous decrease in the last eight years.

Any way you look at it, Canada's financial institutions are facing fierce global competition. It is a war out there, but this present government, has been allowing our banks and other financial institutions to go out and to compete with one hand tied behind their back.

That is why I am very pleased to welcome this legislation concerning trust and loan companies which we are debating today. There are several reasons why this new financial legislation is needed in Canada. I spoke briefly about the first one, globalization. The others include the Canada–U.S. Free Trade Agreement, Europe 1992, and provincial deregulation.

First, globalization. Financial institutions have undergone massive transformation in recent years. As technology has advanced, geographical barriers have retreated, turning several international markets into one huge global market. Billions of dollars can be sent around the globe in a matter of seconds, 24 hours a day.

The globalization of financial markets has been driven by the needs of both borrowers and investors. For corporate and government borrowers alike, the search for the cheapest source of funds has known no national boundaries. Like individual Canadian consumers, those corporations and governments are price–shy and they go where the money is the cheapest.

For large portfolio managers and other investors, the incentive has been better investment opportunities and greater diversification of portfolios.

Canadian financial institutions are well aware of the potential advantages in this new global marketplace. In fact, Canadian Bankers Association president, Helen Sinclair says Canadian banks have "made a virtual obsession of the question of their role in the global marketplace".

Another major issue highlighting the need for financial reform is the Canada–U.S. Free Trade Agreement. The FTA changed the rules concerning financial institutions in two major ways. One, American banks entering Canada have had the limits on their asset growth removed and they can now open new branches without permission from the government. Two, Americans can now buy up to 100 per cent of any Canadian financial institution, whereas before they were limited to buying a total of 25 per cent.

Also related to the free trade agreement is American Express. It received government approval to operate as a bank in Canada, even though the company is not regulated as a bank in the United States, which is an apparent contradiction of Canadian law. It is not a contradiction of this government's policies because if

one notes, permission for American Express to operate as a bank was given on election day, 1988, during the heat of the free trade debate.

Canadian financial institutions understandably felt that the playing field had been shifted in favour of the Americans. This was because the new AMEX Bank was owned by commercial enterprise, a type of ownership forbidden to Canadian banks. Clearly the issue of the level playing field in Canada is one that this reform package must resolve.

The free trade agreement also established the ground rules for another round of international negotiations, those surrounding Europe 1992. As the European Community moves towards a 12–country, 320 million person market, Canada must be involved. But in order to gain permission for its financial institutions to operate in that market, Canada will be under great pressure to grant to the Europeans the same privileges granted to the Americans under the free trade agreement, especially the exemption from the asset ceiling on Schedule 2 banks.

• (1200)

The second issue arising from Europe 1992 is the inability of Canada's federal government and the 10 provinces to achieve harmonization in financial institutions, compared to the 12 countries in Europe. Clearly, then, the government's new financial package must address federal–provincial harmonization.

In fact, the lack of Canadian harmonization is another force, a major force, pushing the need for reform. Several provinces, including Quebec, Ontario, New Brunswick, and British Columbia, have updated their legislation regarding financial institutions considerably over the past few years. While the federal government has been operating at a standstill, the provinces have been moving ahead.

The most far–reaching changes are taking place in Quebec which in 1987 introduced its blueprint for financial sector reform. These changes included the blurring of the four so–called pillars: the banks, the trust and loan companies, insurance companies, and securities dealers. They also included the acceptance of financial and commercial links, where commercial enterprise, such as a steel company, could own a financial institution such as a trust company or credit union.

One of the most controversial effects of Quebec's reform is the ability of one credit union chain to sell insurance directly through its branches. This is one issue that the new legislation was expected to address. More than that, the new financial reform package was to have taken steps to level the playing–field for financial institutions regulated in different parts of Canada, with the goal eventually of establishing one set of rules for the whole country.

This levelling is very important if we are to avoid the spectacle of federally chartered financial institutions trading their federal charters for provincial ones. This would mean that the provinces, not Ottawa, would be the regulators in charge. This kind of movement would represent a reduction in federal authority, a loss of control to the provinces. The federal government must act now. It must act now to prevent such a loss of authority. It cannot continue to let the provinces take the lead in this issue.

After a long wait, the reform package unveiled on September 27 certainly was greeted with special enthusiasm by those of us who are eager to get on with federal–provincial harmonization of financial regulations. The provinces are certainly in this category and among them is British Columbia. British Columbia's Finance Minister, for example, said that he welcomed the government's package because, since the limited financial sector reforms by Ottawa in 1987, there has been, and I quote, "no meaningful dialogue between the federal government and the provinces on financial institutions reform".

Perhaps one of the reasons for not having any meaningful dialogue between Ottawa and the provinces is simply the fact that the government has consistently declined invitations by the provinces to sit on their interprovincial committee for financial institution reform. On September 28, the day after the reform package was tabled, I asked the Minister of State for Finance in the House why he had not accepted the provinces invitation. He simply ignored the question, just like he has been ignoring the provinces.

Before moving on to the issues raised by the government's reform efforts, I want to give a brief overview of Canada's financial industry. The four pillars to which I referred earlier are made up of the banks, the trust and loan companies, insurance companies, and security dealers.

There are more than 3,000 Canadian financial institutions operating today in Canada and throughout the world. Together, they have close to one trillion dollars in assets. Through some 1,400 branches across the country and with close to half a million employees, Canadian financial institutions serve practically every individual and business in the country.

If anyone has ever had a mortgage, borrowed money to buy a car, deposited money in a bank, written someone a cheque, or purchased an insurance policy, they almost certainly had to go through a financial institution. These are the institutions that hold our savings, lend them to businesses and individuals, and operate our cheque clearing system.

It is probably safe to say that without financial institutions, our economy would simply dry up. Financing is extremely important to the economy, whether it is a large national economy or the small economy of Prince Edward Island, my province. Crucial to the development of my province is the establishment and growth of small business, which in turn is dependent upon adequate and low cost financing.

If Canada's financial industry becomes inefficient as a result of federal government neglect, or for whatever reason, the economy of Prince Edward Island, and of Canada, would suffer. Clearly then, the ability of Canada's banks and other financial institutions to survive and compete globally has a direct impact on their ability to provide relatively low cost financial services here at home.

I would like to address some of the major issues that have been raised by the government's reform package. These are issues that certainly must be resolved before meaningful reform of Canada's financial institutions can take place. I will deal with them under four separate headings: powers, ownership, regulation, and supervision.

The situation before this reform package came along is that trust and loan companies can, among other things, take consumer and commercial deposits and are involved in the mortgage business. They do not have full commercial or consumer lending powers yet. However, Bill C–83 will change that.

The first issue under the heading of powers is networking, or the ability of a financial institution from one pillar to offer its network offices to promote or to sell the products of an institution from another pillar.

• (1210)

As we know, Bill C–83 gives trust and loan companies natural personal powers or, in other words, allows them to engage in whatever financial activity is not expressly forbidden by law. The present trust and loan companies can do only what the law expressly permits them to do.

This kind of opening up of the financial services industry in principle is a good thing because it gives consumers more choice and it should ensure more competition. However, I wonder if the government knows what it is doing by throwing the market wide open in this way. What are the costs? What are the benefits associated with this new openness? Will the loss of jobs in the industries now protected from competition from trust and loan companies be matched by an increase in new job opportunities? These are the kinds of questions the government certainly should have asked before releasing its policy package. They are the ones that we will be asking in committee.

One of the most controversial network proposals contained in the government's package concerns banks selling insurance. The insurance industry has warned against letting banks sell insurance. It has argued that consumers will suffer a reduction in the level of service and that banks, with their huge network of branches, will grow to dominate the insurance industry to the detriment of fair competition.

Other issues under the powers heading include the question of whether financial institutions should be able to promote goods and services, including insurance, to their credit card holders and the whole question of allowing banks into the auto leasing business.

The auto leasing business is extremely important with thousands of jobs at stake. One opposition member told me that he had 15 auto dealers in his riding representing over 400 jobs. Clearly we have to deal with this issue very carefully, balancing the need for more competition with sensitivity to the local employment situation in Canada.

Under the ownership heading are issues such as closely versus widely–held ownership of financial institu-

tions, commercial financial links, banks owning insurance companies, and the question of foreign ownership.

The ownership situation now is that trust companies can be closely held and can have commercial links. There are institutions such as Canada Trust, which has one major shareholder, Imasco, which owns a drugstore company, a tobacco company, and other commercial ventures. Many insurance companies are closely held, have commercial links, although some, mainly life insurance companies, are widely held and do not have commercial links.

Banks, on the other hand, cannot have commercial links and must be widely held, meaning that no one can own more than 10 per cent.

The issue of closely versus widely-held ownership is crucial because it deals with soundness of the financial system in Canada. A case can be made for either side, and I want to summarize very briefly both of those.

First, the broad ownership of financial institutions has come to be recognized by some as a very effective way of protecting the misuse of depositors' funds and self-dealing which might occur if there was just one major shareholder.

Second, widely held ownership is seen as preventing discrimination by a financial institution against potential borrowers who happen to be competitors of the institution's major shareholder.

There is also a case for closely held ownership. The first argument is that, while the stated goals of widely held ownership are admirable, the cost to the trust industry, for example, might be just too high.

They argue that if you are concerned about self-dealing and other abuses, there are better ways to guard against them than imposing strict ownership limits. They point to better regulation, bans on self-dealing and rules to expose conflicts of interest. This is the way to prevent these abuses, they argue, not imposing one ownership structure on all financial institutions simply because it sounds good in theory.

Turning now to the specific question of commercial-financial links, again we see strong arguments for and against. Those in favour of these links say a commercial parent would be able to increase the capital of the financial institutions, which is very important in such a competitive industry.

Some say that the existence of a strong shareholder would also provide an opportunity to make the management of the financial institution more responsive to the wishes of its shareholders and less likely to grow stagnant.

Commercial links, according to this side, would also allow the parent institution to diversify its sources of revenue, thus contributing to the overall income stability of the group.

It would promote competition, they say, by encouraging the entry of new institutions into the market.

It would contribute to economies of scale in Canada, putting our domestic institutions on a better footing with respect to their global competitors. For example, a real estate company that owned a financial institution could sell mortgages, or a bank that owned a department store could use the store's network of outlets to increase its business. Both would be able to operate more efficiently and compete effectively with the large conglomerates from Japan and Europe.

Indeed, one argument for commercial-financial links is that Canada may have no choice but to allow them, given the growth of such links around the world, and even within Canada. Denying federally-chartered financial institutions access to such links, the argument goes, would be asking them to compete with one arm behind their back.

Finally, those in favour of commercial-financial links point to the case of the American Express Bank which has commercial links and is competing against Canadian banks which are denied access to such links. This present government, by issuing a foreign banking licence to a company that has commercial links, and indeed is not even a bank in its home country, has set a double standard.

The opponents of financial-commercial links counter that these links may lead to self-dealing, conflict of interest situations. Even for a financial institution that is otherwise well run, just the appearance of commercial interference could reduce depositor confidence in the institution.

• (1220)

They also argue that, just as a commercial parent could improve the balance sheet of the financial institution, just the opposite could very well happen and one would see an unhealthy commercial parent threatening the

solvency of its financial subsidiary, and therefore its depositors.

They say the special role that financial institutions play in the Canadian economy is just too important to take the risk of something like that happening.

Financial commercial links would also increase corporate concentration by putting more assets and power into fewer hands.

Finally, opponents of such links argue that a commercial company in trouble could take advantage of Canada's system of deposit insurance by drawing on its financial subsidiary. One could have a situation where Canadian taxpayers were subsidizing the losses of a commercial corporation.

They point to a situation where the owner of a trust company, for example, is deeply in debt and draws on the trust company's funds to help itself out. The trust company could become threatened with insolvency and would have to be bailed out by the Canada Deposit Insurance Corporation, financed by other institutions and by taxpayers. Taxpayers, in other words, would be unknowingly bailing out a commercial company, representing an abuse of the deposit insurance system.

Another major ownership issue relates to foreign ownership of Canadian financial institutions. Canadian financial markets are relatively open. Allowing foreign institutions access to our domestic market has served to increase the competitiveness of the Canadian financial system generally, to the benefit of consumers. It has also allowed Canadian institutions the right to operate in other countries, thereby strengthening their operations back home.

Currently, foreigners can open financial institutions in all four pillars and may own 100 per cent of those institutions they create. They may also buy into existing institutions, but individuals cannot own more than 10 per cent of banks, while trust companies and insurance firms, and total non-U.S. foreign ownership cannot exceed 25 per cent. No restrictions apply to individuals or total foreign ownership of securities dealers.

Under the free trade agreement, however, Americans are exempted from these rules and generally have the same ownership rights as Canadians, in terms of federally-chartered financial institutions. Provincially-chartered trust, insurance and securities dealers are not affected by the free trade agreement.

A major objective of any financial reform package, therefore, must be to encourage Canadian ownership of our financial institutions. We need strong Canadian financial institutions so they can look after Canadian interests first.

Turning very briefly to the areas of regulation and supervision, the primary concern is ensuring the solvency of our financial institutions. Threats to solvency come in various forms, such as self-dealing, where a bank, for example, makes a questionable loan to one of its directors.

Solvency could also be threatened by a conflict of interest. For example, where a trust company makes a questionable loan to a company affiliated with its parent company.

There are now many rules in place to prevent such abuses, and Bill C-83 expands those rules. The question, however, is whether these rules go far enough to protect the solvency of our financial institutions, or whether they go so far that harmless, everyday transactions get hampered. This is an area that we will be examining closely in the legislative committee.

Finally, looking quickly at supervision, we see in the government's reform plan an enhanced role for the Superintendent of Financial Institutions in terms of federally chartered institutions. While I welcome that move by the government, I must remind it of the need for better harmonization of federal laws with the provinces, and I repeat my request that the Minister of State for Finance accept the invitation of the provinces to join their conference of ministers responsible for financial institutions so that there can be a meaningful dialogue between Ottawa and the provinces.

Mr. Speaker, I want to briefly summarize and conclude. Bill C-83 and the reform package put forward by the government are long overdue. They must be studied in the context of the fast paced world of global financial markets.

We in the Liberal Party will support the motion for second reading of this legislation because we recognize

the urgent need to have new modern legislation in place so that our financial institutions can compete globally.

This package raises many important and fundamental issues such as the proper role of financial institutions in Canada, protecting consumers and depositors, ensuring a level playing field between domestic and foreign institutions operating in Canada and among Canadian institutions from different pillars.

I look forward to dealing with these and other issues at the committee stage of the bill and to meeting with representatives from the industry, with consumers and other interested parties. I want to re-emphasize our party's commitment to a modern, competitive financial industry in Canada. We are also equally committed to protecting consumers, to enhancing their choices, to ensuring the soundness and stability of the Canadian financial system and to the harmonization of federal-provincial regulatory policies.

These are the principles to which we are committed. These are the principles we will be fighting for in committee.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to introduce to the House of Commons the image I have of the minister responsible for financial institutions and responsible for this bill. Here are these four pillars, pillars of the financial institutions of this country and here is this minister standing between these pillars. Like a modern day Samson, he is collapsing these pillars. One could ask how he can do this with as little hair as he has. We know that in Samson's dying days he had as much hair as the minister, but he summoned up his last ounce of strength. Here he is, this picture of a very huge person collapsing the pillars. It is an image that tickles my funny bone.

The minister talked about wanting to clear up conflicts of interest on boards and the relationship between the financial institutions and no self-dealing.

I want to start right at the beginning and lay on the table a concern I have before the bill goes any further, because this bill when it passes the House goes to the Senate. If you look at the litmus test of the senators in the other place, every single one of them—well, most of them—are connected to financial institutions of this country. I want to say to Canadians, do we have trust?

• (1230)

We must have an awful lot of trust to think that in fact this bill can go to the other place and have thorough examination without any interest being brought to bear by the activities of the senators in the other place. I have very serious concern about that because this government has refused to bring in effective conflict of interest legislation which binds senators in the other place as well as members of this House.

We will start on that note. I understand that the minister had choices. He had two choices on the one hand. Unlike the Liberals, I am not prepared to give *carte blanche* support for Bill C-83. As I think through Bill C-83 I want to raise questions. We will continue to raise those questions in committee.

However, I see on the one hand the minister having a choice of opening up the ownership of financial institutions and in fact removing the pillars completely. It has been suggested previously that in fact it should be open season. On the other hand, I look at the model that says: maintain the four pillars and streamline the regulation of those four pillars so that each one of them can be adaptable, can be flexible and can identify trends in the marketplace and react accordingly.

Therefore I raise the question: Is bigger better or is smarter better? I tend to think that smarter is better. God only knows the problems the Japanese banks are having. One only has to look at Chase Manhattan these days and see the problems it has been running into.

Let us look at the savings and loans. I have also heard in this House that we have to build institutions that can compete globally. That is the argument I heard with respect to airlines. I heard that what we had to do was deregulate the airline industry because that is what encourages more airlines to become involved in transportation in Canada and that by having more airlines there would be more competition and lower prices.

That works fine in theory and on paper. In reality the opposite has happened. In fact I would predict that in the next couple of years we will probably have one Canadian airline operating in this country with disastrous effects for people who live in the regions in terms of quality of service, price, and safety.

The minister had these choices. What I think he has ended up with in Bill C–83 is gradualism, deregulation by gradualism. Let us look at the scene: banks can own insurance companies, insurance companies can own trust companies, trust companies can own insurance companies, trust companies can own banks, and banks can own trust companies. Donald Trump would have a hey–day.

I do not know. The minister has now suggested that we will protect the interest of investors by having firewalls. We are now into the construction business. We are going to be putting up firewalls all over the place. Banks can own an insurance company, but they cannot market the insurance products through their branches. So we can have the scene, Mr. Speaker, of a building with a bank in one half, a firewall, and the insurance company in the other half.

The minister says: "Aha, we will have an arm's length relationship. You will be able to market the insurance through credit card holders." Junk mail, here we come. Canadians better hold on to themselves because here comes an onslaught of junk mail. We are going to get all sorts of promotions through the mail with respect to the credit card.

We are concerned in this party about consumers. Will consumers benefit? That is the question. Will consumers benefit through lower prices for the services provided? Will it be more convenient? Will there be a variety? Will they have protection with respect to the service charges?

The minister says that the services charges outlined in Bill C–9 will be included in the Bank Act, but they certainly will not be applied to the trust companies; only to the banks. Trust companies are going to be doing exactly the same thing as banks in terms of their customers, yet consumers would not even have the protection of this powder–puff bill which I consider Bill C–9 to be. Even that protection is not going to be there for consumers.

How will consumers benefit? I suspect that once the shakedown takes place Canadians will wake up one morning and find that one bank owns all the financial institutions in this country. Surely, if we believe that there should be competition because that is what creates better services, lower prices and more convenience, it is not to open up the game so that power is concentrated in one bank or one trust company. Surely the whole idea is to permit many players into the marketplace. That is the classic argument that Tories ought to be putting forward, not to be supporting those practices that lead to monopoly capitalism. That is not the way to go.

The bill does not include any changes to the $60,000 insurance protection for depositors through the Deposit Insurance Corporation. There is no increase in the $60,000 level. It remains at $60,000. The protection for consumers—not in the specific services received but in the over–all administration and supervision of the provisions of this bill—will rest with the director of financial institutions. He is given an enhanced role in this legislation.

Will the government increase the staffing to the Superintendent of Financial Institutions? It is great to have a whole series of laws, but if we do not have the cops to enforce the law then the law is meaningless. It is not enough to talk about all the improvements, all the laws and all the changes that will come, unless we are prepared to increase the supervision.

We have a question: How do consumers benefit from Bill C–83? How do they benefit specifically? I am unable to detect from Bill C–83 how they will gain any benefits from this legislation. On the one hand we have the problem of greater concentration of economic power. This is the danger that I think this bill will lead to. On the other hand we would argue—and I have a question in my mind—as to whether maintaining the four pillars and streamlining them would be better. I want to explore the idea that rather than to collapse them it is better to streamline and ensure that there is competition in the field for which that particular pillar is operating.

• (1240)

We noticed, for example, that banks were not allowed to own brokerage houses. Then that was changed. Every single bank bought out a brokerage house. Now the bank has in its stable a brokerage house. I think there is only one bank, the Toronto–Dominion, that actually started to form its own. All the others bought out brokerage houses. We can see where this is headed. The banks will then buy out insurance companies. They will set up these firewalls as required by the law. Then those will break down.

In the legislation the governments says that it has tightened up the ownership. The banks remain at 10 per cent. No person can earn more than 10 per cent of the shares of the bank, while for trust companies and loan companies it is a lot looser. The government also says in the bill that it will tighten it up, that it will prohibit self-dealing, conflicts of interest, and a whole host of other practices, and that it will make the boards of directors more democratic.

This is why I think there is a gradual move to loosening up the whole field. If that is the case, why do they need to maintain the 10 per cent ownership in banks? Why is there a need to maintain the 10 per cent? If they have these tighter rules about self-dealing and conflicts of interest, why did they keep the 10 per cent rule? I have not had an answer to that question.

Even with the ownership it raises another question about the way we treat Canadians as opposed to the way we treat Americans. A Schedule II bank can come in to Canada, yet the 10 per cent rule would not apply to that bank. However, a Canadian could not establish a bank in Canada unless he obeys the 10 per cent rule.

Why is it that we are permitting aliens to be treated differently than we treat Canadians? Why are we permitting a foreigner to do something in Canada that we would not permit a Canadian to do?

One can have a bank in a state but one cannot go and establish in another state and another state. I wanted to point that out. I would say that in itself that is discriminatory. That is a question we wanted to raise.

On the question of bank services charges, we did a study on that area and we made recommendations to the government which came in as legislation in Bill C-9. One would think that consumers would receive the protection of that pussycat legislation, but in this bill it only applies to the banks. It does not apply to trust and loan companies.

It seems to me that by collapsing the pillars and allowing the trust and loan companies to do the things that banks do, by erasing the differences, then surely when we impose things such as disclosure and the way we treat certain bank services it has to apply to the trust and loan companies as well. Yet we find that they are exempt from this. Mr. Speaker, we cannot see why this would be so. In the bill, the way to calculate interest is set out for the banks and for the trust and loan companies, so it seems to us that it is a short step over to cover the trust and loan companies with the bank service charges as set out in Bill C-9. It seems to me that that is logical.

We also have the impression that the area of ownership of the banks in Canada, this 10/25 rule that I mentioned, not only permits a non-Canadian, an American specifically because of the free trade agreement, to come into Canada and be treated differently from the way Canadians are treated. It also raises the question as to whether a Canadian can buy an American bank and then have that bank come in as a Schedule II bank and, in effect, avoid the 10/25 rule.

An hon. member: I'm not sure.

Mr. Rodriguez: The member says he is not sure. Well, I raise that because, while the officials have said these are guidelines, there is nothing in Bill C-83 that says it cannot be done. Schedule II banks can do just about anything that a Schedule A bank can do. We are concerned about that and we want to have that question cleared up as well.

We are also concerned about the role of the Superintendent of Financial Institutions. I mentioned one aspect of it. We think that he has to be provided with the wherewithal to enforce the act.

There is another aspect of this which was included in the 1986 blue paper. It was one of the proposals, and we do not see it reflected in this bill and we want to know why it is not. The bill gives the government the authority to vest all of the capital of the institution with the CDIC, where the institution is threatened with insolvency, and the affairs of the institution would be managed by the CDIC to affect a merger or sale of the assets, as it deems necessary. We notice that that is not included in the bill. We would be interested in knowing why that was not included.

Mr. Speaker, these are questions that we have to raise with respect to Bill C-83, because the bill is of such importance. Once this bill gets put into place, it has far-reaching implications. I see this bill, frankly, as a gradual removing of all the pillars and so we must take a good hard look at the way in which it is being presented. Quite frankly, I am interested in the arguments of the witnesses who will come before the committee to outline their own positions and to answer questions.

• (1250)

We know that the banks have wanted to be able to market insurance through their branches. I am not sure if they asked the government to give them the power to own insurance companies. I am not convinced in my own mind as to whether the lesser of the two dangers is to allow them to market the insurance through the branches, or to own the insurance company. I would tend to have a preference for them to market the insurance through the branches at this point in time, but I am prepared to listen to the argument as to why they should be allowed to own the company.

It seems to me that one of the advantages of being able to market the insurance through the branches might be to provide convenience to the consumer. The greater danger is that the banks under Bill C–83 could end up owning more and more of the financial institutions in the marketplace. That is the concern I have.

It is also well known that the banks had approached the government with respect to being able to lease automobiles. We know at the present time that they are in leasing. They do lease farm and construction equipment—over 20 tonnes, I believe—so to some extent the banks are involved in leasing. I am prepared to listen to the argument as to why they should be denied the ability to lease cars. I am also prepared to hear the argument for the other side.

We have to see the details of this three–tier regulation which the government has outlined in Bill C–83 with respect to self–dealing. We have, in this party, long expressed concern about the fact that trust companies could be subject to self–dealing. The minister has now promised in Bill C–83 that self–dealing will be outlawed, and that there would be a whole host of regulations with respect to tightening up and ensuring an arm's length relationship between a financial institution and any of its subsidiaries or any of its owners.

We would welcome any regulations which tightens up this whole area. We supported it in the past, but we would like to see the form that the regulations take.

The government has promised a new change in the structure of the board of directors, new rules with respect to conflicts of interest on boards of directors—banks particularly—where a person sitting on a board of directors of a bank but connected closely to a large corporation would be able to obtain loans from a bank for activities other than their ongoing process of business. We have expressed concerns about that in the past. We understand from what the minister has outlined in Bill C–83, that there will be a new era with respect to this whole area of conflicts of interest on the boards of directors of banks.

As I said, this bill is far–reaching. It is not a simple bill. It has implications beyond what is here. It opens up a whole new era. The potential down the road for concentration of economic power is very great. We are concerned that once barriers come down, no control will be exerted by the state on the flow of capital around the world, out of Canada and into Canada. We have concerns about that. What we will be looking for very closely is the way in which when these pillars are collapsed. What is the rationale for collapsing a pillar? What is the long–term view of financial institutions? What kind of financial structures do we want in this country? Do we want a wide–open, loosey–goosey, catch–as–catch–can, take–over–as–take–over–can approach? Is that what we want? Or do we want financial institutions that have been set up to do certain specific things and do them well. These are the kinds of issues that Bill C–83 raises.

We know that the trust and loan companies acts have not been amended since 1914, and a lot of water has passed under the bridge since then. It is important to update the acts governing these particular institutions. We know there is a need to harmonize the laws federally with those laws that affect those institutions provincially. We understand that, but we believe that in doing so, we must not throw out the baby with the bath water. Are we on the path to creating a Frankenstein, that down the road it will be very difficult to put back into the coffin? This is the crux of the problem.

We have concerns about banks buying out insurance companies, insurance companies buying out trust companies, trust companies buying out banks, banks buying out trust companies, trust companies buying out insurance companies, and on and on. The more complex the game gets, the more the loopholes become apparent and in the long run, consumers suffer and pay the price.

We approach this bill in the spirit of seeking answers because we want to make sure that when this bill is passed that, in fact, it can be the hallmark, the foundation of the way in which financial institutions serve this

country and not the other way around, that people serve these financial institutions.

We look forward to the bill going through second reading and we hope that the concerns we have raised will be noted and addressed. If they are not addressed, we will look for opportunities to amend the bill in committee.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

AUDITOR GENERAL

TABLING OF REPORT

Mr. Speaker: I have the honour to lay upon the table the Report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1990.

[*Translation*]

Consequently, pursuant to Standing Order 108(3)(e), this document is deemed permanently referred to the Standing Committee on Public Accounts.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VANIER CUP

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the most important aspects of Canadian culture is amateur sport. Canadian college football's Vanier Cup, named after a former Governor General, is one of the few truly national sporting events. It is a Canadian event played between Canadian teams by Canadian athletes.

S. O. 31

CBC radio has broadcast almost all the Vanier Cups live since the first game in November, 1965. However, CBC radio's program director in Toronto has apparently decided that this year's November 24 game at the SkyDome will not be broadcast because, as she puts it, sport in general and the Vanier Cup in particular have limited cultural and historical significance.

Canadians from sea to sea want to listen to the Vanier Cup on CBC radio. I would encourage CBC radio to reconsider its decision and broadcast the 1990 Vanier Cup.

* * *

AIDS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, nearly 70,000 newborns have been tested for AIDS without the knowledge or consent of their parents. Worse yet, the parents of the 21 babies, and 6 are from the Ottawa area, who were subsequently found to have the HIV antibodies were not informed, nor has a record been kept of the names of the infants. This is a terrible abuse of the rights of parents.

The University of Toronto, with funding from the Department of National Health and Welfare, has been carrying out these tests. Although its procedures may be legal, I have to seriously question the ethics.

Research into AIDS is vital. The minister must look into methods, which are acceptable to the general public, of conducting necessary studies, but also that tests be documented to enable parents and doctors the proper mechanism of tracing the possible transmitter of the virus.

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AUDITOR GENERAL KENNETH DYE

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, today, the tenth and final report of our Auditor General, Kenneth Dye, is tabled. In those 10 years he has served his office well and the people of Canada even better.

In his report today he says, "I came to Ottawa because I had been intrigued by my predecessor's innovative ideas about comprehensive auditing. I also like constructive change and thought I could contribute to the advancement of accountability, perhaps implanting the

notion that public servants should spend people's money as carefully as they would their own."

He has pursued these ideals relentlessly through his 10 years and can retire from his job content in the knowledge that, although there is much work yet to be done, he has successfully focused government attention on efficient and effective use of public funds.

The New Democratic caucus wants to extend our thanks to Mr. Dye for his hard work over his 10 years as Auditor General and wish him much success in his transition back to private life.

* * *

CANADA CAREER WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, Canada Career Week is not just an opportunity for youth to learn about the career opportunities available to them, but it is also an opportunity for all of us and for adults everywhere to look at the contributions we can make toward encouraging our youth to complete their training.

The most important thing we can do is change our attitudes toward skills training and non-academic education. We must realize that a student who does not excel in English literature is not less intelligent than the student who does. They have different aptitudes but both are equally important to our communities and both deserve the same amount of encouragement and respect.

Through education, we give our youth self-reliance and an opportunity to be productive adults. By encouraging our youth to be the best they can be—bricklayer, welder, teacher, scientist, or whatever—we instil self-respect and self-confidence which, in turn, promotes a healthy regard for the achievement of others. Investing in skills training is an investment that keeps on giving us a return. I cannot think of another investment with such guarantees.

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[*Translation*]

USE OF CHALLENGER JETS

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, yesterday, the President of the Treasury Board tabled a report on the use of the federal government's six Challenger jets. Incredible but true, Mr. Speaker: there has been a 40-per cent drop since the Conservative Government was elected in 1984.

Under the Liberal government, which means until August 1984, the Liberals took 672 flights in twelve months. In two twelve-month periods, in 1989 and 1990, the Conservative Government used the Challenger jets 258 and 301 times, respectively.

Mr. Speaker, this is one more example of good management by this government.

* * *

[*English*]

GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my constituents of Hamilton Mountain, as well as most other Canadians, are worried about the effect the proposed GST will have on their standard of living. I would like to point out to Canadians yet another flaw in the government's proposed new tax.

Close scrutiny of the GST shows that not all Canadians will be treated equally under this new tax. For example, stockbrokers' fees will be GST exempt. Commissions charged by other professions, such as auto dealers, real estate agents, and art brokers, are all taxable. Yet the commissions charged by stockbrokers are exempt. Is it not interesting that the Minister of Finance cannot find a way to tax his former colleagues and employers?

When a government introduces a piece of legislation that will hit the poor and the elderly the hardest and gives the boys on Bay Street a break, it should come as no surprise that the Liberal caucus, under Jean Chrétien, would vow to scrap such a tax.

Many alternative forms of taxation exist which are fair, equitable, simple, and visible. This is the type of taxation that Canadians have come to know under successive Liberal governments. I salute the foresight of my Liberal colleagues in the other place as they attempt to—

Mr. Speaker: The hon. member's time has expired.

[*Translation*]

TRIBUTE TO MARCO MAIOLO

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, it was a great pleasure to join the Prime Minister yesterday in a celebration for Marco Maiolo at the Meadowbrook School in Lachine, Quebec.

Marco is the one millionth student to enrol in the Seeds Program for energy awareness.

The program was set up in 1976 to make students aware of the importance of energy and of the challenge to produce energy while protecting the environment.

In recognition of the contribution of the Seeds Foundation to education and to mark the enrolment of the one-millionth student in the program, the Prime Minister gave Marco Maiolo a certificate to commemorate the occasion and congratulated him, also on behalf of the Government of Canada.

I can only applaud the achievements of this program and I want to congratulate Marco and wish him every success with his studies.

[*English*]

Mr. Speaker: The hon. member's time has expired.

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CRUISE MISSILE TESTING

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, two years ago the government said it would continue testing Cruise missiles in Canada until progress is made on disarmament.

Two years later, the Cold War is over. Gorbachev is reducing Soviet arms and dissolving the Warsaw Pact. He has offered to make the Soviet Union a non-nuclear-weapons state if NATO will do the same.

Why is the government promoting war fever by testing the Cruise missile over northern Canada today? When will the government contribute to peace by ending the testing of the Cruise missile in Canada?

* * *

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, for nearly eight weeks, the New Democratic Party of Ontario has failed to respond to one of the most important environmental issues, the proposed dump in the Rouge Valley.

While in opposition, the NDP stated there would be no dump within the magnificent Rouge Valley system of Scarborough. With the federal government pledging $10 million to save the Rouge as a park, Bob Rae has failed to put a stop to provincial lands in the Rouge from becoming a dumping ground.

• (1410)

I say to the Premier of Ontario: "You have been given your chance. Lack of action has shown the people of Scarborough and all of Metropolitan Toronto that the total environmental protection of the Rouge Valley is really not on the NDP agenda."

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, while the government has pushed interest rates to the 14 per cent mark, it is ignoring the hardships it has imposed on Canadians.

Housing starts are at their lowest level in six years. Home sales have plunged 30 per cent compared to last year and the construction industry is expected to have an unemployment rate of 15 per cent.

Across the country, families earning $40,000 or $50,000 a year are defaulting on their mortgages, a jump of 41 per cent in the last six months. In Toronto hundreds of homeowners have already had to give up their properties and default on their dream homes.

While the Tories stick to their destructive high interest rate policy, CMHC has predicted a continued rise in defaults in the coming year. The Canadian Real Estate Association, meeting here in Ottawa today, is under no illusion as to what the problem is. It is interest rates.

As the unemployment rate increases and interest rates push housing prices higher and higher, hundreds of thousands of Canadians are shoved out of the market to buy their first home.

This is the price Canadians are paying for the government's inflation-fighting tactics. The long-term damage to the Canadian economy is a price not worth paying.

S. O. 31

LIBERAL PARTY OF CANADA

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, here we go again. We have heard it all before. Jean Chrétien and the Liberal Party are telling Canadians they will scrap the GST if elected.

An hon. member: That will never happen.

Some hon. members: Hear, hear.

Mr. Thompson: But can we really believe them? Not if you look at Liberal history, Mr. Speaker.

Remember the 1974 election? The Liberals promised us no wage and price controls. What happened less than one year into their term? We had price and wage controls.

Then, in 1980 the Liberal Party forced an election over a proposed 18-cent per gallon gasoline tax, and what happened? By the time they were turfed from office in 1984 gas prices had risen by 99 cents per gallon.

An hon. member: Shame.

Mr. Thompson: This latest announcement is another signal to Canadians of the Liberal Party's cynical approach to government. And yes, Mr. Speaker, we have heard it all before.

Some hon. members: Hear, hear.

* * *

NSC DIESEL INC.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to bring to the attention of the House a scandalous example of program abuse and ineptitude by officials of ACOA and, indeed, perhaps the minister responsible.

I refer of course to the circumstances surrounding the approval of a $12 million loan to a company owned by Rick Black, NSC Diesel Inc.

Even before the building was finished, the company's orders dried up and its business plan was found to be total fabrication. The result is dozens of contractors who extended lines of credit now facing bankruptcy themselves, hundreds of their employees losing their jobs, and more economic misery for the people of this part of Nova Scotia because of this fiasco.

Now that the federal Auditor General, in response to my request to review this smelly deal, has concluded that program assessment criteria were not followed, it is time for a full public disclosure on how this deal got funded, who was zooming who, and for heads to roll, starting with the minister responsible.

* * *

KIDS HELP LINE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, imagine, if you will, being on the receiving end of a call from a four-year old child who wants to know how to commit suicide. Imagine the pain in that child's life.

Twenty-five thousand children a month make calls for help to the Kids Help Line. On Monday, two of their phone lines will be closed. Based on last year's statistics, this means that over the next six months 100,000 kids will not be responded to by the hot-line, 2,000 suicidal kids will not receive counselling, and 9,000 kids who are the victims of family violence will not have access to a counsellor.

This service has proved itself invaluable in direct intervention and now has over 300,000 pieces of data on the nature of the difficulties faced by children in Canada. Surely the new minister responsible for children will not let this proven program deteriorate when the need is so great. Could the $72,000 the government used promoting the children's summit have been better spent?

* * *

HOUSE OF COMMONS

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, today marks the 18th anniversary of the political class of 1972. That is those members of Parliament who were first elected on October 30, 1972, went on to consecutive and unbroken re-election victories and are still presently members of the House of Commons. Believe me, given the uncertain fortunes of political life these days, that is no small feat.

On October 30, 1972, 59 Conservatives, 23 Liberals, 11 New Democrats and three Socreds were elected for the first time. Mr. Speaker, you and I are counted among that number. Of those members there are only 11

Conservatives and two Liberals remaining with unbroken records.

In the Liberal caucus there remains Jean-Robert Gauthier and the Hon. Bill Rompkey. In the Conservative caucus we have you, Mr. Speaker, the Hon. Harvie Andre, the Hon. Perrin Beatty, the Right Hon. Joe Clark, the Hon. Paul Dick, the Hon. Jack Epp, the Hon. Otto Jelinek, Bill Kempling, Gus Mitges, Frank Oberle and myself.

To all, I say we have much to be proud of, for as political survivors, we are all too rare in public life these days.

ORAL QUESTION PERIOD

[*English*]

AUDITOR GENERAL

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, regardless of all the rhetoric and press releases delivered by this government to try to make people believe that they are being open and above board in their operations, this government is still denying the Auditor General of Canada his statutory authority to audit ministerial expenses.

I ask the President of the Treasury Board this: Why will the government not put its words into action and hand over minister's receipts so that the Auditor General can perform his duty on behalf of the taxpayers of Canada?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I thank the hon. gentleman for at least recognizing that we are coming forward with a lot more information than his party did when it was in power.

As a matter of fact, we are following a role that it established. We have made public information as promised by my predecessor, the former President of the Treasury Board, on government travel, minister's travel and aircraft travel. I think we have come a long way in satisfying the Auditor General.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I can tell the minister that he has not satisfied the Auditor General in any way.

As chairman of the Public Accounts committee, I have written to the government asking it to provide those receipts for the Auditor General. Our Public Accounts committee has had the Privy Council Office, the Comptroller General of Canada and the Treasury Board before our committee. We have been stonewalled at every turn. This federal government is the only jurisdiction in all of Canada that still denies this information to its Auditor General. Surely the taxpayers of Canada must wonder what this government has to hide.

What is the government's real reason for denial of this important information to the Auditor General of Canada? We are living for the future, we are not living for the past.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, even in the present, the government is taking major decisions.

If the hon. gentleman looks at the report that we have produced, he will see that the number of flights by government ministers has been reduced by some 40 per cent since 1980. What the government is concerned with is its real savings and real management of public finance and it has done that by maintaining public expenditures lower than they have ever been, lower than all the provinces. The government has cut $25 billion in the management since 1984, starting with a deficit of $16 billion to a surplus this year of $9 billion, 70 per cent of that being from expenses reduction. That is what the government is proud of.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, if the government is so pure, why does it not co-operate with the Auditor General?

• (1420)

Mr. Speaker, I am not getting answers there, so I will follow up the Auditor General's report with a question to the Minister of Transport.

The ice-breaker *St. Laurent* was out of service for five years. The minister will be well aware of the fact that four years ago, a Halifax contractor was granted the job of refitting the ship at a cost of $51 million over a period of two years.

Now, two years overdue, the work on the ship is still ongoing, and the cost has risen to $125 million. That is the kind of financial management we are looking at. What is the government going to do about this fiasco?

How can the government possibly justify increasing taxes at a time when it is wasting public money in this way?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the approved cost for this project was an estimate. That is all it was.

The refitting work began. It was impossible until they opened up the ship to determine exactly what problems would be encountered. Modernizing the *Louis St. Laurent* will improve our ice-breaking capacity. That may not matter much in Pembroke and Renfrew, but it matters to your colleagues from the maritimes.

I think you should have checked with them before you asked that question.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, the Auditor General has warned the government that it may suffer severe losses upon implementing the goods and services tax because the system to administer the tax will not be adequate.

Mr. Speaker, the Auditor General is worried because the GST will collect $2 million every hour, twenty-four hours a day, 365 days a year. I want to ask the Minister of Finance whether he is prepared to acknowledge that the goods and services tax will be a real nightmare, both for business and the government, and that this tax proposal should be cancelled.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not accept that. We have worked very closely with people in the private sector. We have also heard from those people that the concerns that have been expressed about the complexity of the GST are not well founded.

Also, we know that the federal sales tax today is a very complex tax. What I think most Canadians are interested in is the position of the Liberal Party of Canada.

Let me read some headlines here. After the speech last weekend: "Waffling Jean," "Chrétien does an about face on the GST," "Who will bear the costs of Senate delay?", "Liberal senators should reconsider their actions," "Gut the GST now—"

Some hon. members: Hear, hear.

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, a supplementary.

The Canadian Federation of Independent Business, representing small business in this country, says that the goods and services tax will be an administrative nightmare.

The minister says that the Auditor General's concerns are not well founded, but he knows that the goods and services tax is going to collect more than $2 million an hour, 24 hours a day, 365 days a year.

Is the Minister of Finance going to pursue his deadly scheme of imposing the goods and services tax on Canadians? Does he realize that the time for Tory tax trick-or-treat games is over and he should withdraw the goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if there are any trick-or-treat games, it is Jean Chrétien playing them on the Canadian people.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): April 6, 1990, Jean Chrétien said that it would be irresponsible to say now that a Liberal government would scrap the GST. "That is $28 billion. At this point, I will not say I will abolish the GST. I won't say I'll keep it either."

What we do know is that Jean Chrétien back then would not say that he would scrap the GST without knowing where the money is coming from. Does Jean Chrétien know today where the money is coming from? Does he have any idea how he is going to change the tax system? Is it going to be from consumption tax? Is it going to be personal income tax?

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, the Auditor General has confirmed what most Canadians have long suspected, that despite six years in office this government does not have a comprehensive strategy for dealing with environmental issues.

My question is directed to the Minister of the Environment. The Auditor General has found that the ocean dumping program deficiencies could have serious environmental consequences, deficiencies that were known but were kept secret from Parliament.

Since the Auditor General could find no evidence that the department had any scientific basis for informing Parliament that ocean dumping was being permitted in a safe and regulated manner, will the minister assure the House that from this date on, there will be no permits issued for ocean dumping until an effective, scientific monitoring system for existing and proposed disposal sites is fully in place?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I can only say that the Auditor General also mentioned that action has been taken by the department to resolve the deficiencies noted for the two 1988 examples and the 1989 ocean dumping regulatory program. There is an action plan in place right now. The action plan consists of improvements to scientific support for the program, including research; improvements to dump site monitoring; increased compliance and enforcement activities; and amendments to ocean dumping regulations, including changes to permit fees to make them comparable in cost to other disposal alternatives. So, we are certainly acting on this issue very actively.

Mr. Jim Fulton (Skeena): Mr. Speaker, I would have hoped that the minister could simply have said yes.

In a shocking indictment of the effects of delegating authority to provincial enforcement agencies, the Auditor General reveals that between 1982 and 1988, the percentage of mining companies breaking the law in Canada leaped from 15 per cent to 52 per cent. In many cases, the level of dumping has occurred at triple the safe allowable levels.

A 240 per cent increase in crime, what a Tory success story.

Will the minister assure the House that this rampant illegal activity will be halted immediately and that charges will be laid against the provinces and those companies that are in violation of federal law?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, with respect to the problems that we are encountering in the mining industry, I would like to tell my hon. colleague that we have established a number of conventions with mining establishments across the country, that enforcement is being increased and the increase will be enforced through measures that will be announced in the green plan.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it seems that the minister is confirming that the Auditor General is right, that this government does not have a comprehensive strategy for dealing with environmental issues.

The Canadian Environmental Protection Act in 1988 provided for agreements to be negotiated between Ottawa and the provinces concerning regulation and enforcement of toxic substances. There are, at the moment, no agreements signed and the levels of toxic and hazardous materials in our environment continue to climb.

My question to the Minister of the Environment is when will this government take action on these agreements concerning toxic substances and hazardous material?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would like to assure my hon. colleague opposite that toxics are very much at the forefront of our environmental agenda. It is an agenda that is, by the way, quite comprehensive, probably the most comprehensive in the world. We are looking at toxics and a list of 44 substances that have been identified as toxics. We are discussing this with the provinces and there will be quite a bit more to be announced when the green plan is tabled in the House before the end of this calendar year.

* * *

WESTERN ECONOMIC DIVERSIFICATION

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Western Economic Diversification.

This government has funded some hare-brained schemes in its day, but one of the most outrageous has to be the $100,000 in public money spent on an engine turbo charger which wound up on the race tracks in the United States and ultimately on the scrap heap.

• (1430)

I wonder whether the minister would tell us why this scandalous waste of public money was allowed by his illustrious predecessor, our very own hot rod Bill over there.

Hon. Bill McKnight (Minister of National Defence): I find it exceedingly strange, Mr. Speaker, that a member of Parliament who comes from a region such as Newfoundland would be critical of actions that are taken in

western Canada to diversify and strengthen the economy.

I can inform the hon. member that in most casts, except for research and development, the western diversification initiative makes all moneys given to business refundable.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister of course misses the essential point. The decision was made here in Ottawa.

While he is forthcoming, can he tell me a couple of more things? First of all, this turbo charger had to be destroyed in 1987. The government found that out two years later and, notwithstanding, paid out additional money to an Alberta firm for a non-existent project.

Will he answer that question? Will he tell us why the Government of Canada paid out public money for a turbo charger that had been wiped out, destroyed, two years before?

An hon. member: Tory efficiency.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I can explain to the hon. member that in western economic diversification the decisions are made in western Canada. There is a deputy minister—

Mr. Simmons: This one was made in your office.

Mr. McKnight: Mr. Speaker, the member makes an allegation that that decision was made in my office. That is a lie, that is a lie.

Some hon. members: Hear, hear.

Mr. Speaker: I am sure, no matter how strongly the hon. minister may feel about it, he would not want to use that language, and I would ask him to withdraw that word.

Mr. McKnight: Mr. Speaker, as I would always wish to follow your instructions, I only could only do so if the hon. member for Burin—St. George's would withdraw his allegation.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Speaker: I would ask the hon. minister to consider his position, and we will return to it later.

STELCO

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The minister is no doubt aware of the confusion surrounding whether or not Stelco workers who were laid off after the long Stelco strike will be eligible for benefits under UIC.

Will the minister give Stelco workers her assurance in this House today that they will indeed be eligible for UIC benefits once this long strike is over?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the rules on unemployment insurance are very clear. Now that we have Bill C-21 and the new rules will come into place on November 18, my officials in Hamilton will be working with the company and with the union. All will become clear in that time.

Ms. Sheila Copps (Hamilton East): I have a supplementary question, Mr. Speaker.

The 6,800 workers have to work this Saturday on the agreement. If the federal government is not prepared today to give a written undertaking that all workers will be eligible for unemployment insurance, there is a very good possibility that this strike will not be over. In fact, both union and management have been in touch with the government seeking just such an assurance.

I am sure that the minister, along with all her colleagues, hopes that this long strike is over and that those 6,800 people in whole or in part can come back to work, but will she guarantee the House today that some 4,800 who will not immediately be recalled will be eligible for unemployment insurance?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is not the practice of this government to get into the middle of disputes between labour and management. The hon. member knows that our job is to work with both sides to come to a conclusion. That is exactly what we will be doing in this case as in other cases.

CANADIAN ARMED FORCES

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, in the last couple of weeks we have watched the Secretary of State for External Affairs rattle his sabre and push this country to the brink of war. Yet, today, the Auditor General has pointed out that the Canadian forces are not suitably designed for conditions of war.

Could the Secretary of State for External Affairs explain why he is pushing this country toward war when it is obvious that our Armed Forces are not prepared for combat?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not even the cartoonists of the country believe that.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): I am sure, Mr. Speaker, that the cartoonists will have more fun today.

The Auditor General was asked this morning if the Canadian forces medical services could withstand a prolonged war or a dramatic increase in patient load. His reply: "We are not in a position to give appropriate medical help in wartime".

Given the statement our Armed Forces medical services are not equipped to deal with war, what extra steps are being taken to ensure the men and women serving in the Persian Gulf will receive the best possible medical attention should the need arise?

Hon. Bill McKnight (Minister of National Defence): I can only say, Mr. Speaker, that I am not sure, with all his attributes, the Auditor General is the best qualified to be qualified as a military strategist either.

I can inform the hon. member as to actions that we have taken to assure that Canadian men and women serving Canada in the Persian Gulf will be able to receive medical attention as required. We have put forward into the Canadian—

Some hon. members: Order, order.

Mr. McKnight: There are 10 Canadian medical professionals who are serving on the U.S.S. *Mercy*.

Some hon. members: Order, order.

Mr. Speaker: The hon. member for Eglinton—Lawrence.

PEARSON INTERNATIONAL AIRPORT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, today the Auditor General pointed to lack of government planning to deal with deregulation at airports throughout the country. As an example, at Pearson he pointed out that the government's refusal to act on reports dating from 1986 to repair the parking facilities at Terminal 1 has cost the government between $28 million and $38 million and further has put the safety of the structure into serious jeopardy.

In the interest of public safety and fiscal responsibility, will the Minister of Transport tell us today when he will act upon these recommendations to repair the facilities?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, my hon. friend would know, had he checked with the transport critic, that I announced some two weeks ago that we were prepared to renovate Terminals 1 and 2 fully, which naturally could include the renovation of the parking garage. I welcome his assurance that his party supports the initiative.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the Auditor General is not at all convinced that there is a completion date for the airport master plan and for the plans that the minister speaks of. In fact he says, and I quote: "There is a lack of a policy statement and financing philosophy".

There has been a $15 million cost overrun at model *q* at Terminal 1 since 1987. The project is one and a half years behind schedule. There is a shortfall of $3.25 million in projected revenues at the U.S. pre-clearance facilities, and the minister is pushing ahead with privatization.

• (1440)

Will the minister tell this House why he is using privatization as a quick fix and a quick out for the administrative and financial mismanagement at Pearson?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, that is easy. Because of the previous administration's fiscal mismanagement we do not have the money. That is why we are going to private enterprise.

Oral Questions

HEALTH

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is for the Minister of National Health and Welfare.

The minister told this House that dioxins are now everywhere in our environment, but he will not tell us why. The reason is that industrial air pollution rains dioxins on every inch of this country.

I ask the minister to confirm to this House that he considers food that violates his own department's regulations, creating thousands of new cancer cases, to be, as he declared yesterday, safe and nutritious.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, this sort of tactic is simply reprehensible.

Members of the House of Commons, yesterday, listened to members of the opposition attempt to frighten nursing mothers into believing that they were poisoning their infants by nursing them.

What we have today is an allegation being made that thousands of Canadians are dying as a result of the intake of dioxins in their food. If the hon. member has evidence of that, let her bring it forward.

I specifically challenged the hon. member yesterday to indicate on behalf of her party whether her party's position was that all food containing any trace of dioxins in it should be pulled from the shelves and destroyed. Perhaps she could answer that.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, Canadians take no comfort from the minister's umbrella of words. The minister knows full well that the dioxin crisis is a 20th century problem. He also knows that there are studies which confirm that no dioxin was present in human tissue until the turn of the century.

The minister told us yesterday that he is overwhelmed by the amount of dioxin currently in the environment and does not feel it necessary to take drastic action needed to safeguard the Canadian food supply.

Given that as many as 18,000 Canadians will develop cancer as a result of the dioxins consumed in their daily diet, will he confirm to this House that this government is not willing to enact stiff regulations and invest necessary budget dollars toward the health of Canadians?

Hon. Perrin Beatty (Minister of National Health and Welfare): No, Mr. Speaker, just the opposite. What I will indicate is that the Minister of the Environment and I are working very closely in terms of doing everything that we can do to eliminate the creation of dioxins. It is nonsense to suggest that dioxins did not exist prior to the turn of century. They are created by such things as forest fires. Perhaps hon. members opposite would have us pass a law banning forest fires to eliminate all dioxins from the environment.

The critical question is this: if the standard that is followed is the standard proposed by members opposite, that no food may be consumed in Canada even if it has minute traceable quantities of dioxins in it, it would result in our saying to nursing mothers that they could not breast feed their children and it would result in the destruction of hundreds of millions of dollars of food which is safe, nutritious, and available for Canadians.

I challenge the hon. member again: is this the position of the Liberal Party of Canada?

* * *

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The Auditor General has confirmed what Canadians guessed long ago, that the government's refugee backlog system is not working. By March 1990 he says that one-tenth of the cases that ought to have been resolved were resolved. He believes that it is doubtful that they can meet their schedule. Now the minister's officials are holding back the most deserving cases in order to process last come Caribbean cases first.

Will the minister admit that the backlog system has failed? Will she land those people and let her immigration staff get on with regular immigration work?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first of all I simply will not accept the allegation of the hon. member that we are moving ahead cynically with cases from the Caribbean as opposed to other kinds of cases. That is simply not a fact.

Second, I would like to thank the Auditor General for some of his suggestions. As indicated in his report, we were moving on many of the areas that he made suggestions on—both in the backlog and in the new system, and in our over-all immigration plan leading to our five-year levels—because we understood as well that there were some problems in our management.

Since the end of March things have changed; 50 per cent of the cases within the backlog have now been opened because we have improved our processes, and 30 per cent of them have been decided.

The Auditor General also suggested that we should use greater deterrents. Perhaps that is what the critic for the NDP is suggesting.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, the Auditor General has also confirmed that the government's new refugee determination system is falling behind, taking nine months instead of nine weeks to process people and resolve their refugee claims. And the refugee board's own figures show a new backlog in a year and a half of something like 25,000 unresolved cases.

When will the minister admit that the new system also is failing and bring in the quick and fair system that was asked for several years ago by the churches and other public groups in Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I recall, when we brought in our new system, the part of the new system that the hon. member was most against was the safe third country provision. Is he now suggesting that in the interest of speed we bring that in?

* * *

HOUSING

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is addressed to the minister of housing. In large urban centres such as Toronto and Vancouver the average family still cannot afford to purchase the average home. The problem is that first-time home buyers in Toronto need a down payment of up to $60,000.

Will the minister consider changing the rules so that people with funds in RRSPs can use that money for down payments, or will the government make it possible for first-time home buyers to set up self-directed RRSPs to be used for those down payments, thereby making home ownership more affordable.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the suggestion put forward by the hon. member is one of a number of suggestions that are going to be discussed tomorrow and the next day at the Canadian Housing Finance Conference which, as you know, Mr. Speaker, is the first ever housing financing conference held in this country. It will bring together 150 experts from Canada and internationally, from business, from the financial community, academics, to focus on what can be done to make housing more affordable, and to allow more accessibility to home ownership.

The Department of Finance had some understandable concerns with respect to the use of RRSPs for housing down payments. They obviously do not want to raise the expectations of Canadians that something of that sort will be brought in immediately, but at the same time, it is something that is under careful examination at the present time.

* * *

HIGHWAYS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Transport. As Minister of Transport, I am sure he is aware that there is only one highway into Nova Scotia and on to Newfoundland.

Elimination of rail freight in Newfoundland has resulted in dramatic increases in truck traffic on this highway. Since being elected less than two years ago I have witnessed several accidents on this highway, resulting in fatalities to men, women, and children. Last Friday night was the most recent but sadly I know there will be more. We desperately need a new federal-provincial agreement to stop the fatalities and the grief.

Will the minister negotiate, with all the urgency required, a new co-operation agreement to have this overburdened highway replaced?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I presume my hon. friend realizes and appreciates that highways are a provincial responsibility. However, I would say that my provincial colleagues and I recently approved phase four of the national highway system study at the recent Council of Transport Ministers

meeting and we are looking at the priorities at the present time.

But I should also tell him that there has been no decision made on funding mechanisms at this time.

* * *

• (1450)

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the Auditor General's report on the lack of credibility of this government in terms of the environment is simply devastating.

He said: "The unsatisfactory quality of the department's evaluations raises serious questions about the extent to which Parliament can rely on them." That in a very articulate way comes perilously close to the unparliamentary language of the Minister of National Defence.

The Auditor General has said that after six years of Tory rule there is not one shred of believability left in this government's approach to the environment. Is there any reason for the Canadian people to think any differently?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend imputes a blanket indictment to the Auditor General in respect of the government and its spending, including the Department of the Environment. He says—

An hon. member: Another quotation.

Mr. Mulroney: They do not like quotations over there.

The Auditor General said in his report today: "1990 is the first year an Auditor General has given an opinion without reservations on the government's financial statements since enactment of the Auditor General Act."

But in 1975-76, the Auditor General said: "I am deeply concerned that—the government has lost or is close to losing effective control of the public purse." The President of the Treasury Board that year was Jean Chrétien.

Some hon. members: Oh, oh.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, since the Prime Minister felt it important to bail out his Minister of the Environment, perhaps he will also answer the second question that the Auditor General put very clearly.

The Auditor General said very clearly that the problem is that this government will not allow the Minister of the Environment the authority he requires or for which he can be held accountable.

Will the Prime Minister give the Minister of the Environment final authority over the green paper? If he does not, will he deem it a failure, unless the Minister of the Environment is given the authority to overrule the minister of energy as the minister of energy overruled him last week. Will he give him the authority to overrule the Minister of National Health and Welfare as the Minister of National Health and Welfare overruled him last week? Will he give him the authority to overrule the Minister of Fisheries and Oceans as the minister of fisheries has consistently befuddled the environmental—

Some hon. members: Oh, oh.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the answer to all my colleague's questions obviously is, yes.

The government has made that commitment. Later on today, we will be voting in this House on the second reading of Bill C-78. If my hon. colleague had taken the time to read it, he would see the words right in that bill.

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[*Translation*]

LAPRADE FUND

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, in his report today, the Auditor General pointed to some serious shortcomings in the procedure for funding projects through the Laprade Fund.

In many cases, projects were approved even if they did not meet the basic criteria. My question is directed to the Minister of Industry, Science and Technology. How can the minister justify spending considerable sums of money while deliberately ignoring the program's strict criteria?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, it is really a shame to hear a Liberal member talk about the Laprade Fund!

Mr. Speaker, I think the Laprade Fund, which was created by the former government— We have some figures here which were most certainly brought to the attention of the Auditor General. Of 597 projects, 195 were approved and 175 were accepted. Thanks to money paid from the Laprade Fund, 3,662 jobs were created. I hardly think the Liberals could have matched that.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my supplementary is also directed to the Minister of Industry, Science and Technology.

There is something definitely rotten in the State of Denmark. Money was given for projects that were already completed. An arena was divided in two in order to get twice the maximum grant. The Auditor General made it clear that this was a case of a minister exercising his discretion and not following his own rules. My question is this: is the minister prepared to table in the House all documents related to this fund and show who benefited from the dollars laundered by a government with very few scruples?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, once again, I believe that the projects submitted for funding by the Laprade Fund are absolutely genuine. The projects are submitted to senior officials of the Department of Industry, Science and Technology and evaluated very carefully. Some projects are turned down because they do not meet established criteria.

Mr. Speaker, as far as the arena is concerned, I think the purpose is as valid as it was in the case of the bingo halls they subsidized for years.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is for the Prime Minister.

I genuinely believe that when the Prime Minister came to this House in 1984 he was committed to civil liberties as a Canadian and as a Quebecois. He acted on that by repealing the War Measures Act, which is much more than the Trudeau government was prepared to consider.

Having repealed the War Measures Act, at the Oka crisis last summer his government did not use the Emergencies Act which has all the powers through which Parliament could have scrutinized what the army did and why it was called in at Oka.

Given that the Prime Minister said on September 24, 1990, in a response in this House to the leader of my party, the member for Yukon when she called for a public inquiry into the situation:

> We must all obey the same laws and, as soon as that is settled, the government will be more than pleased to take the kind of action suggested by my hon. friend.

We do not have a public inquiry. We have a parliamentary inquiry, but it was just announced by the Indian affairs committee that in fact it is going to be restricted.

Is the Prime Minister committed to a full parliamentary inquiry into the events of calling the army into Oka last summer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the House leader of the government has been and is ready to engage in discussions with the House leaders of the respective parties in regard to precisely this point.

The army was dispatched to Oka by the Government of Canada pursuant to a request made under the National Defence Act by a provincial government. It was perfectly entitled to make that request. The Government of Canada made a value judgment and responded to that request.

I believe that the army did an excellent job at Oka. It conducted itself with moderation, restraint and a great deal of effectiveness. I know that all members of the armed forces would appreciate the support and the congratulations of the members of the NDP as they have received from other members of the House of Commons.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the Prime Minister must surely understand that this is an incredible situation where an army is called in by the provincial premier, the feds pay for it and we do not even have a parliamentary inquiry. What is going on? That dwarfs what the Auditor General is saying today.

For my supplementary question I ask him to consider this specifically.

[*Translation*]

It is public knowledge that Quebec Minister Claude Ryan is opposed to a public inquiry on this issue. Did the Prime Minister promise Mr. Ryan he would sabotage an inquiry by this Parliament, our Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken there was a resolution before the House that need only the approval of the New Democrats. The Government House Leader has just told me that if the New Democrats had approved the resolution that is before the House, we would have been able to proceed as soon as possible.

Has the hon. member spoken to his colleagues? Had they supported the resolution, we would have been able to proceed.

• (1500)

[*English*]

Mr. Speaker: The hon. Minister of Defence.

* * *

POINT OF ORDER

WITHDRAWAL OF REMARKS

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I rise to withdraw my use of unparliamentary language in response to a comment made by the member for Burin—St. George's. I apologize to the House and totally withdraw my unparliamentary remarks.

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PRIVILEGE

REMARKS DURING QUESTION PERIOD

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I now would like to rise on a question of privilege for which I gave you notice.

When I was answering a question regarding a grant which he claimed was made by Western Economic Diversification and the authorizing point in that grant, the hon. member for Burin—St. George's said: "That was authorized in your office", meaning me, Mr. Speaker.

I think it is important, Mr. Speaker, that members of the House, members of the Public Service who are responsible for Western Economic Diversification, and the recipients of grants understand the process.

The pacemaker process to which the member for Burin—St. George's referred was a project which was initiated and authorized in 1985 under the IRDP. I was not the minister responsible in 1985 for the IRD program. The program was transferred to Western Economic Diversification when that department was established to encourage diversification in western Canada.

There were further payments made to the pacemaker project. Those payments were made in January of 1989. I was not the minister responsible for Western Economic Diversification at that time. Another final payment was made in March of 1989. I was not the minister at that time.

The payments were made after an independent audit of the financial statements and an audit visit to the site by the WD officers. It was agreed upon that the company had met all terms and conditions of the 1985 agreement under IRDP.

The hon. member, in saying that it was done in my office, was either unaware of the circumstances or inadvertently was misleading the House.

I will conclude by saying that out of 37 projects in Western Economic Diversification reviewed by the Auditor General, one—this one, initiated by another department—was found lacking, 36 were found to be fully satisfactory.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. Minister of Defence has, of course, very properly withdrawn his remarks and has continued on a question of privilege. The House has heard him. I expect all hon. members will, of course, hear the hon. member for Burin—St. George's.

Some hon. members: Hear, hear.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I rise in relation to the question of privilege raised by the Minister of Defence. The point he made toward the end about the number of projects that did not come under the scrutiny of the Auditor General is not at all the point. This one did.

This one was initiated before his time in terms of administering the project, but he had ministerial respon-

sibility for it. He does not have it any more, and that is the crux of it. He chose to rise today, although he is no longer answerable or accountable to the House in respect to this particular department.

I say to the minister that there is no innuendo. I was very direct in what I said. I said across the floor to the minister that the decision was made in his office. Now, candidly, I cannot tell you, Sir, whether the decision was made in his office, or his rec room, or his bar. But I can tell you this, and I can tell him this, that this one has got politics written all over it and the handwriting—

Some hon. members: Oh, oh!

Mr. Speaker: The hon. member for Burin—St. George's may want to argue the point of privilege further. The point of privilege is very simple.

The hon. minister has risen and said that an accusation said across the floor by the hon. member for Burin—St. George's is not true, and the hon. Minister of National Defence has given the House his word that it is not so. That is the issue. In this place we usually accept an hon. minister's word or any hon. member's word, if it is stated.

I think the position that the hon. member for Burin—St. George's is in is to give me some explanation as to why this is not a question of privilege and, also, to indicate to me what his response is to the fact that the minister has risen and said that this did not take place in his office.

Mr. Simmons: Mr. Speaker, I am not clear on that point, but I shall repeat it one more time. I think these are the actual words, or essentially these. I said, in all candour, I do not know whether the decision was made in the minister's office or his rec room.

Some hon. members: Oh, oh.

Mr. Speaker: I will consider the comments and report to the House.

The difficulty that the Chair is in, and the difficulty that the House is in, is that we have a tradition that if an error has been made and someone rises and says: "I did not do that" or "The facts are wrong", there is a gentleperson's tradition in the House that the member making the error withdraws the allegation. That is what the hon. minister is asking the hon. member for Burin—St. George's to do which, it seems to me, would be an easy thing to do and would also end this difficulty.

Mr. Simmons: If the minister says that the decision was not made in his House, I take him at his word, it was not made in his house.

Some hon. members: Oh, oh.

Mr. Speaker: Well, perhaps the hon. member for Burin—St. George's can consider his position further, and we will move on to other things.

* * *

POINT OF ORDER

AUDITOR GENERAL KENNETH DYE

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, with the permission of the House, as we have received this morning the Auditor General's Report, and since this is Mr. Ken Dye's last report, on behalf of the government I would like to indicate that we feel he has made a very significant contribution to helping guide the government to improve our management and efficiency.

I would like to say that he has been very useful in following up on his recommendations, that we have also taken them into great consideration and we have acted upon them.

I would like to assure him that until the end of his mandate we will continue to collaborate with him.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have a brief but important point of order and it relates to the matter of the comments by the Minister of National Defence.

The last time that—

• (1510)

Mr. Speaker: I wonder if we could leave that for the moment. The hon. minister has risen with respect to the Auditor General. I think that there may be some comments from other parties.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I thank the hon. member for his patience. I want to follow the President of the Treasury Board in making a few comments about the Auditor General.

Today the Auditor General tabled his last report in the House after serving this Parliament for 10 years. It is a big job for a person to come in and take over because

government is big business. It cannot possibly be done all in one year. It has to be divided up in cycles, with parts done parts each year. Even in that time, it is a big job.

I think the Auditor General has some very fine achievements to his record, as indicated by the President of the Treasury Board, achieving that certain reservations no longer exist. For example, today Public Service pension funds that are owed by the government as part of the debt of the government and also the foreign loans that will not probably be collected are now part of the country's liabilities.

He has tackled these things in a very realistic way and in a very serious way. As Chairman of the Public Accounts Committee I can say that the Auditor General and his staff have been most co-operative. Whenever he appeared before our committee as a witness, he never backed down from statements that he had made because his work was well researched with fine conclusions emanating therefrom.

In the years ahead, it is going to be very important that we have a good successor to the present Auditor General who has laid so much very important ground work. The taxpayers of this country and probably any free country of the world are going to demand greater accountability of their parliaments and their legislatures and, indeed, they are going to ask for greater accountability from their individual members of Parliament and representatives. I think that is one thing that we all have to accept as part of democracy.

The Auditor General has been very adamant in his protection of the public purse. It is very important that this Parliament support the Auditor General, his office, and his staff. It is very important that the public accounts committee co-operate and work very closely with him. Of course, it is very important that he has the support of the people of Canada because he is the one that is going to protect their purse.

Many countries send their auditors general to Canada to learn our system. That simply indicates the good programs put together with approximately 690 personnel in the Auditor General's office and a system whereby other people who are experts a in the field, perhaps atomic energy or defence matters, can be brought in on short-term contracts, and then let go.

He has put together a very good program. He has been an outstanding servant to the country. I hope that those who are searching for a new Auditor General for the next 10 years will indeed find the qualities in the new man that have existed in Kenneth Dye.

Some hon. members: Hear, hear.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I would like to join with the other two members who have spoken of the Auditor General and the work that he has done, on behalf of my party, the New Democratic Party.

Although I am a rookie to the House of Commons and fairly new to the public accounts committee, I have learned in a very short time that the Auditor General is a friend of all parliamentarians. The Office of the Auditor General has shown that it is willing to work for and with each member of Parliament if the member shows an interest in finding out anything within that department.

I would like to say also that the people of Canada are very proud of the job that the Auditor General has done. Being a native British Columbian, like yourself Mr. Speaker, we in British Columbia are particularly proud that the Auditor General for the last 10 years is from British Columbia.

The Auditor General in wrapping up his summation in his tenth and last report says at page 40: "I shall leave my post at the end of next March believing that the office of the Auditor General has made a positive contribution to Parliament and that I have done my best. I hope many will agree."

Mr. Speaker, we in this party unanimously agree that in fact he has done his best and he has done an excellent job for the people of Canada. Thank you, Auditor General.

Mr. Speaker: It being 3 p.m. the House will now proceed to the taking of the deferred division on the motion at the second reading stage of Bill C-78, an act to establish a federal environmental assessment process.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

MEASURE TO ENACT

The House resumed from Thursday, October 25, consideration of the motion of Mr. de Cotret that Bill C-78, an act to establish a federal environmental assessment process, be read the second time and referred to a legislative committee.

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 311*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Bird
Blais
Bouchard (Roberval)
Brightwell
Cadieux
Casey
Clark (Brandon—Souris)
Collins
Corbeil
Côté
Crosbie (St. John's West)
Danis
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Fretz
Gibeau
Greene
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Johnson
Jourdenais
Landry
Larrivée
Lewis
Loiselle
MacDougall (Timiskaming)
Mazankowski
McDougall (St. Paul's)
Merrithew
Monteith
Nicholson
O'Kurley
Porter
Redway
Andre
Attewell
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Boyer
Browes
Campbell (Vancouver Centre)
Clark (Yellowhead)
Cole
Cooper
Corbett
Couture
Crosby (Halifax West)
Darling
Della Noce
Dick
Domm
Duplessis
Epp
Ferland
Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Kempling
Langlois
Layton
Littlechild
Lopez
Martin (Lincoln)
McCreath
McKnight
Mitges
Moore
Oberle
Plourde
Pronovost
Reid
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Soetens
Stevenson
Thompson
Tremblay (Québec-Est)
Valcourt
Vankoughnet
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—130
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Sparrow
Thacker
Thorkelson
Turner (Halton—Peel)
Van de Walle
Venne
Vincent
Wenman
Wilbee
Winegard

NAYS

Members

Allmand
Angus
Axworthy (Winnipeg South Centre)
Bellemare
Berger
Blaikie
Boudria
Callbeck
Clancy
de Jong
Dionne
Ferguson
Fisher
Foster
Gaffney
Gauthier
Harvard
Heap
Hovdebo
Jordan
Karygiannis
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
Lee
MacDonald (Dartmouth)
MacWilliam
Marchi
Martin (Lasalle—Émard)
Milliken
Nault
Ouellet
Parker
Phinney
Prud'homme
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Tobin
Volpe
Walker
Whittaker
Young (Beaches—Woodbine)—85
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Baker
Benjamin
Blackburn (Brant)
Blondin
Butland
Catterall
Copps
Dingwall
Duhamel
Finestone
Fontana
Fulton
Gardiner
Guarnieri
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Langan (Mission—Coquitlam)
Laporte
MacAulay
MacLellan
Manley
Marleau
McCurdy
Murphy
Nystrom
Pagtakhan
Peterson
Proud
Rodriguez
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Waddell
Wappel
Young (Acadie—Bathurst)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Therefore Bill C-78 is referred to a special committee appointed to pre-study the bill and to act as legislative committee thereon, pursuant to order made Wednesday, June 27, 1990.

Motion agreed to, bill read the second time and referred to special committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The Opposition House Leader on a point of order.

Mr. Gauthier: Mr. Speaker, I hesitate to do this because members know the rules, but Citation 223 of Beauchesne's fifth edition is quite clear, as follows:

> 223. (1) A Member must be within the House and hear the question put in its entirety, in one of the official languages, or his vote cannot be recorded. It is not sufficient for him to hear it while he is in a gallery or behind the curtains.

Mr. Speaker, I humbly submit that the hon. member for Lac-Saint-Jean did not hear the question put in the House and that he is not entitled to have his vote recorded as being in favour of this bill.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, it is true that I was unable to be in the House at the appropriate time. I was detained behind the curtains and I rushed in to take part in the division.

Mr. Speaker, be that as it may and whatever your decision might be, I support this bill. I am very proud of it because it will put Canada right up front when it comes to the environment.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): I will draw the attention of Mr. Speaker to the facts and he may decide to make further comments.

* * *

[*English*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-83, An act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters be read the second time and referred to a legislative committee.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, it is my pleasure to rise and speak to the trust and loans bill. My first comment has to be that the trust and loans bill does not stand alone. It fits into the total reform package of bills and will encompass all of our financial institutions in Canada.

I will be trying to explain briefly some of the history we have gone through in arriving at this bill and how the bill has taken into consideration the various needs of the institutions, the consumers and the people in Canada.

The historical framework within which Bill C-83 is being brought forward is a process of reform of the financial sector, and is not a quick one. The process in fact has been said by many people to have taken too long. However, I think hon. members will agree that it is wise to deliberate longer and to make sure that what we do come up with is workable.

In this bill the minister and his staff have been pragmatic and practical and propose what in large part has taken years of consultation and consideration to arrive at.

• (1550)

At the beginning of its mandate, the government recognized the need for reform. Therefore, in April 1985, it brought forward the green paper. This green paper resulted in many discussions across Canada. Committee reports were made on it, and as a result of these discussions, as well as input from the industry and the public, the proposals underwent refinement. This led to the tabling in December 1986 of the paper entitled *New Directions for the Financial Sector*. Once again, there were further discussions, draft legislation was compiled at this point and the trust and loans companies draft legislation was tabled for discussion purposes in December 1987. Of course, further consultation took place subsequent to that.

Throughout this period, as well, several other pieces of legislation did come into effect to make temporary improvements to the system. These were Bills C-42 and C-56. These bills implemented a number of changes in the regime governing the financial institutions, particularly with respect to the supervisory functions now exercised by the Superintendent of Financial Institutions. These, in effect, created a stronger position for the Superintendent, and this has been recognized by all parties and throughout the industry as being a very positive move.

The government has been active in pursuing the reform of the financial sector. We have also been careful to ensure that our proposals will be effective as well as practical. We know that there is no point in producing reforms that look good but in the final analysis will not work.

I believe that the measures recommended in Bill C-83 will be found to be effective as well as practical. Because they will be practical, they may fall short of some of the aspirations of many of the parties. Because they are broadly acceptable to all sectors of the industry, there will no doubt be some people who wish that one provision or another were a little different. This is the case, however, where it would be impossible to grant everyone's wishes fully. There are too many legitimately different points of view. The government has settled on proposals which meet the needs of the economy and the institution, as well as the Canadian public.

It is important to remember that with the size and importance of this sector, there are four sets of needs which this legislation must recognize and fulfil.

First, there are the needs of the economy. The financial system is not just an important segment of the economy in terms of its size, it is a vital support system without which the economy as a whole would grind to a halt. The easiest and fastest way to harm the economy is to have a financial system that does not meet the current needs of companies and individuals. Conversely, a healthy and dynamic financial system will strengthen the whole economy. Anyone who has bought a car, has tried to get a mortgage on a house, has tried to finance their business, knows that the financial institutions in this country play a critical role in our economy.

There are also the needs of the institutions themselves. The trust and loans legislation was enacted in the first 20 years of this century. If my memory serves me correctly, it was 1917. It is in excess of 70 years since this legislation was first enacted and obviously there have been many changes in the environment in which they operate, many changes to their needs and, of course, this legislation must take that into account.

Then, of course, there are the needs of the consumers and the public. They need information and assurance that the health of the institution with which they are dealing are honourable and that they can have confidence in dealing with them.

They also require the improved services that the financial institutions in Canada want to provide for them and, of course, it is up to us to make sure that this legislation does provide this increased responsiveness to the Canadian public.

In addition, there is another important demand placed on these proposals and that is the need to harmonize with the provincial governments. If a person is going to create a viable financial business in British Columbia or in Quebec, or one that is going to function across the country, it is obvious that the regulations controlling these institutions have to be co-ordinated.

It is recognized by the Department of Finance and our minister in producing this bill that harmonization with the province and their regulations must take place. The co-operation between the two levels of government is the most responsible way of ensuring that the health of all Canadian financial institutions is maintained. I am pleased to say that the proposals for reform are substantially met in the bill that we are tabling.

I would like to get into a few of the points of the bill itself, how it addresses the needs of these various people in the tax reform. I want to reiterate first, though, the important point that the principles of this bill are not isolated. They are part of the larger reform process and must be discussed in the context of that larger reform. All four pillars of our financial institutions are being addressed and the bill today, of course, just addresses the trust and loans, but it must work in harmony with the other bills to follow.

The bill will achieve four things. Initially, it will revitalize the rules of ownership. They will allow for both closely-held and widely-held institutions. It is required that it revitalize the framework for competition in the financial sector. This will be done by removing many of the restrictions imposed now on financial institutions so that they can compete fully with each other.

There has to be, of course, updates to the prudential safeguards. These will be providing protection for the depositors as well as the policy holders. In the process of this, we will be, as a by-product, modernizing the existing statutes.

Let us look first and quickly at the framework for competition. The general policy of the government with respect to competition is that consumers and institutions should be able to have the opportunity to offer similar ranges of service and competing markets previously not open to them. This is intended to enhance the choices available to our consumers.

We propose that with appropriate approval and subject to some relatively minor restrictions, financial institutions will be able to diversify into new financial businesses through their subsidiaries. This follows on the provisions of legislation passed in 1987 which permitted federally chartered financial institutions to own security dealers.

Under the new provisions, trust companies may be owned by institutions without trust powers, such as banks and insurance companies, and trust companies may themselves now own insurance companies. Similar provisions will apply to other types of financial institutions not covered by this bill before us today.

In considering whether to approve the purchase of a financial institution by another in a similar business, the minister will, of course, take into account the size of the buyer and the size of the institution being acquired.

• (1600)

Trust and loan companies will also receive full consumer lending powers. Full commercial lending powers will also be available to them, as long as they satisfy the conditions which will ensure that they have the necessary staff and controls in place to manage the commercial portfolio. Banks, of course, as an ancillary to this, will be able to offer portfolio management and investment advice services, inhouse.

Trust and loan companies will also be allowed to network financial services offered by affiliates or independent financial institutions, subject to the restrictions on retailing of insurance.

I would like to get into that, just briefly, because there are some things that deposit takers are not going to be permitted to do and it is important that we, as legislators, and that all Canadians should be aware of them. First, with a few limited exceptions, banks and trust and loan companies will not be allowed to retail insurance or to distribute insurance applications through their branches. The exceptions are credit-related life insurance and travel insurance, which they have provided for many years.

Second, while a deposit-taking institution may own an insurance company, the operations of the two businesses have to be kept separate. It is important to recognize that this approach carefully balances several policy objectives. It promotes a degree of extra competition that we believe will be healthy and beneficial for consumers but without disrupting the long-established business of insurance retailers. Licensed brokers and agents will continue to be able to give their clients professional advice on which insurance companies and policies will best serve their needs.

Also, no financial institution will be able to engage in car leasing and this is something for which there has been a lot of demand for by financial institutions and about which a great deal of concern in the general marketplace.

In theory, the idea of financial institutions being in the car leasing business is very attractive but it flounders at one critical point. Banks are already extensively engaged in the business of financing car dealers and they also are in the business of providing consumer auto loans. If, on top of this, banks were to go into the car-leasing business, there would inevitably be questions of conflict of interest. Of course, it is for this reason that the government has decided not to allow car leasing within financial institutions.

There are going to be significant changes in the ability and control of ownership within financial institutions. The government has adopted a pragmatic approach to the question of ownership. There is an area where many options have been expressed, many mutually exclusive. But I believe the proposals in the policy contained in Bill C-83 will meet the needs of all those involved.

The first step in our ownership is to ensure that the Minister of Finance has the authority to approve significant changes in ownership of federal financial institutions, as well as the existing authority to approve all start-ups. This is an increased responsibility for the minister and, of course, the opportunity for increased flexibility within the system. Specifically, an investor will be required to obtain the minister's approval of any purchase of shares which will result in ownership of more than 10 per cent of any class of shares held in that company. Investors now owning more than 10 per cent of the shares of an institution will be required to gain

approval from the minister for the purchase of additional shares.

Finally, an investor must gain approval to acquire control of a company that is linked to a financial institution, when the result is a change in the significant ownership interest of that institution.

Trust and loan companies will continue to be able to be closely held and, in fact, they will be able to be sold on closely held basis. But if a trust and loan company is of any significant size, in fact, if it has assets in excess of $750 million or more, it will be required to take the necessary steps to ensure that at least 35 per cent of the total voting rights attached to the shares are widely held and listed for public trading on a Canadian stock exchange. Institutions will have five years to comply with this provision, which is very fair. A Canadian financial holding company or a Canadian-regulated financial institution could be able to meet the rule on behalf of its trust, loan, or insurance company subsidiary.

I would like to mention now the credential safeguards. These are the safeguards put in place in the legislation for the depositors and policyholders. A major focus of concern in the financial sector, as in business generally, is what is known as self-dealing. This is of a great deal of concern to the government, and I believe it is of great concern to all members in the House.

Our proposals embodied in this bill are based on three elements: a general ban on non-arm's length transactions, internal controls and screening of permitted transactions, and a preclearance of certain special transactions by the Superintendent of Financial Institutions. Institutions will be required to set up committees of the board, one the conduct review committee, to clear these transactions that are permitted. These conduct review committees will have a majority of their members independent of the institution.

Certain improvements will be made to the existing supervisory system. Specifically, the superintendent will gain the power to demand information from owners of federal financial institutions. As well, any director who resigns as a result of disagreement with other directors or officers of the company, or any auditor resigning or being placed at the company's request will be required to submit a written statement to the superintendent. Affiliated directors will now have to make up one-third of the boards of directors and, to enhance the possibility of minority shareholders being represented on the board, a system of cumulative voting will be introduced for institutions where any shareholder owns more than 10 per cent of any class of voting shares.

Finally, our policy requires federally regulated financial institutions to put into place procedures to resolve conflict of interest.

I believe this legislation is appropriate. It is the fruit of many, many years of consultation and its provisions express principles that will operate to the benefit of the financial sector, the economy, and in fact all Canadians. I am proud to be able to speak in support of this bill and I urge its consideration to the House.

* * *

[*Translation*]

POINT OF ORDER

READING OF A MOTION ON DIVISION—SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): Before we go into the question and comment period, having considered the point of order raised earlier this afternoon by the opposition House leader and the fact the hon. member for Lac-Saint-Jean admitted he was absent when the motion on Bill C-78 was put, it is my duty to have the name of the hon. member for Lac-Saint-Jean withdrawn from the list of those who voted for the bill.

* * *

[*English*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Markham—Whitchurch—Stouffville—Gun control; the hon. member for Dartmouth—Goods and Services Tax; the hon. member for Trinity-Spadina—Immigration.

On questions or comments, the hon. member for Scarborough—Agincourt.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I listened to the hon. member with great interest. I had an opportunity in the past year to meet with a member of the board of the Bank of Nova Scotia, Mr. Gordon Bell, who is also the chairman of the bank. Mr. Bell and I had a lengthy discussion and he tried to convey to me why the bank should be allowed to sell insurance over the counter.

The question that I have to pose to the member is: Does he feel that in any way, shape or form the insurance industry will be hurt? If so, in what way, if the banks are allowed to compete? Does the hon. member not see that, if this is allowed to the banks, it would give the general public a much easier means of obtaining insurance? Also, in the sense of trade, does he not see that it will lower the insurance rates along with the charges of insurance on individuals?

• (1610)

Mr. Steven W. Langdon (Essex—Windsor): I would like to thank the member from Scarborough for his question.

There has been a great deal of interest, not only by banks, which the hon. member mentioned, but also from trust institutions. Any institute that has depositors and branches has encouraged us to consider giving them the ability to be able to sell retail insurance from their branches.

As has been stated very strongly by the insurance companies, their representatives, and people concerned with the issue, the insurance companies now do a very good job of selling insurance. There is a lot of competition already. The feeling was that the professionalism shown by the industry and the ability to deal properly with it was more properly done through insurance companies.

Of course, banks will be able to have insurance companies as affiliates and will be able to get into the insurance business if that is really their intention. But it is not felt to be in the over-all interests of the public, the consumers, or the financial institution to allow the retailing of insurance at the branches.

Mr. Speaker, if I could pursue that question a little further, one of the things which strikes us about this legislation and, in fact, the broad pattern of deregulating step by step financial institutions which is taking place, is that we are going to see a situation created in which it will be possible for banks or other financial institutions to move into other fields through the takeover of existing institutions or the establishment of new institutions.

For instance, a bank will be able to establish an insurance company. It will be able to use that insurance company to promote the sale of insurance products and services through the credit card operations at the bank. There is a great deal of new scope for banks to broaden their activities. Similarly, there is a great deal of new scope for insurance companies and trust companies to broaden their activities.

Yet, there is a line which is drawn when it comes to an insurance company which a bank might set up being able to promote through credit card mailing lists and that kind of thing. It is nevertheless prevented from seeing those insurance services directly offered to the consumers of the bank on a branch-by-branch basis.

In short, it seems that one has not established a level of increased direct service or increased direct competition at the branch level of banks, for instance, that would operate as a threat to existing insurance companies. It seems to me as I look at this that there is a major question that one can raise as to whether the government is not trying to let these major financial institutions have their cake and eat it too. They would have the possibility of expanding their operations into new financial fields, yet securing from competition and securing from the possibility of better service to consumers those institutions that might be threatened by that expansion.

Mr. Worthy: Mr. Speaker, I was listening carefully to the member for Essex—Windsor. I think he has put his finger right on the critical area, as I indicated in the first few statements of my speech.

There is a very critical balance that was required between the liberalizing or streamlining of the financial industry and yet retaining some of the controls that we feel are in the best interests of the people of Canada.

It is in this particular area where the government tried, while encouraging the competitiveness between these financial institutes, which my hon. friend indicated is there, but retaining as a policy for the existing insurance retailers, the dealers and the professional bodies that are there to service the insurance needs of the Canadian

people, that that is still going to be retained and controlled as a separate entity.

The member will find that there will be people, and in our committee meetings I am sure we will hear from people, who will talk to both sides of that issue and who will be able to explore exactly why that balanced point in fact was taken.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I would like to ask the hon. member if he would take a moment to explain to me what will happen to those depositors and consumers as a result of the initiation of this legislation.

These are consumers who were accustomed, prior to this legislation, to two things: First, the kinds of regulations that imposed very strict guidelines on each of the pillars of the institutions which he has mentioned. Such regulation was made easy by the fact that each one of them was guided by a separate body of laws and regulations. Applying the regulations to one meant that regulations were being applied to the entire industry.

Second, what would happen to the depositors who had some security, but now, faced with new legislation, the depositors and trust and loan companies will find that the regulation and therefore the security is well blurred.

The Acting Speaker (Mr. DeBlois): In one minute, please, the hon. member for Cariboo—Chilcotin.

Mr. Worthy: Mr. Speaker, you want a 10 minute answer in one minute.

Mr. Karygiannis: You have already taken 30 seconds.

Mr. Worthy: Mr. Speaker, I have already taken 30 seconds, the hon. member says.

I should point out first that the depositors are going to feel more secure with this legislation. The improvements to the increased powers to the superintendent should make him feel more secure. The demand that the internal control by companies to protect those same depositors should make them feel more secure as well.

The guidelines existed in previous aeons it seems like. It must be remembered that these are 70 years old and long overdue for a realignment. I believe that bringing them together so that all four pillars are in fact being guided by the same principles will be a dramatic breakthrough. It will be better for the banks. It will be better for the insurance companies. It will be better for the trust and loan companies and, most important, it will be better for Canadians.

• (1620)

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I approach this piece of legislation with a great deal of trepidation because I think that the country has been waiting a long time for changes in the banking and financial institutions of this country. At this point in time we are not quite sure, after all this deliberation, whether or not this is the most appropriate piece of legislation.

The industry: banks, life insurance companies, trust companies, and loan companies, have been waiting for close to seven years for this legislation to be produced. There are all sorts of rumours on the Hill that this House is not going to continue, but is going to be prorogued soon. I hope that this is just not another false start for people in the industry. It is a great cost to the people dealing in the financial markets to have such insecurity attached to a piece of legislation and to see it introduced to the House at a time in which there is a great deal of doubt as to whether or not we will continue. It is unfair to those people who depend upon security and continuity in their operations.

The insecurity that has been there for the last seven years is reflected in a comment in a letter written to me by a life insurance company which is concerned about its own security. They were answering the question: Has the wait cost them anything? They responded:

> The truth of the matter is that the banks have had a field day compared to insurance companies. We have been waiting over 50 years for modernization of our legislation, while the banks have enjoyed regular decennial reviews which have expanded their powers each time. No stroke of the pen will make the field level. We have a lot of catching up required before any semblance of parity exists. Our industry is in some danger from both lack of modernization and from the banks getting even greater powers, including the ownership of insurance companies.

This concern still stands as we face this piece of legislation. For the past seven years everyone has been waiting for the government to present its great step forward. We have had several rumoured attempts in the past by this government. Either they lost the way or lost their courage in dealing with this critical issue.

Our financial institutions control billions of dollars in assets. Whether it is their savings in a bank account, or their financial security expressed through their insurance policies, the vast majority of Canadians use our financial institutions on a day-to-day basis. They demand that we have a system they can depend on.

Yet, Mr. Speaker, at this time, we find that our institutions are facing a great deal of external pressures to change. I think it is incumbent upon members of Parliament, when we are dealing with the modernization issue, to deal with it honestly and directly because those changes are taking place, whether we like it or not.

For example, I would like to list three or four factors which are really influencing the progress, or the lack of progress, in our financial institutions. First of all, the globalization of financial markets. In recent years financial institutions have undergone a massive transformation. This transformation has included the development of new financial instruments and practices for managing risks, broadening markets and improving access to funds. The increased use of technology has facilitated this transformation and has been stimulated by it.

The underlying factor shaping the transformation of financial institutions has been the globalization of markets. There are processes now in place that can handle up to 900,000 transfers in the banking system on a daily basis.

The globalization of financial markets has been driven by both the needs of borrowers and investors. For borrowers, corporations and governments alike, the request for the cheapest source of funds and a broadening of their borrowing base has been paramount.

For savers and portfolio managers, the incentive has been better investment opportunities and greater diversification of portfolios. These considerations have also driven financial institutions to take a more global view of their operations.

Canada has been very slow to adopt its financial institutions for this new international reality. Consequently, many are playing a smaller role than might have been expected and in what would appear to be their natural niche in international markets. Globally, many of our institutions are losing out to competition.

A second change taking place that affects all of our financial institutions is the implementation of the Canada-U.S. Free Trade Agreement. Under this agreement, American banks have gained entry into Canada and had the limits removed on the growth of their assets. Their Canadian subsidiaries are no longer required to obtain approval of Canadian authorities before opening branches in Canada, so they enjoy the same opportunities as Canadian banks.

Another significant provision under the Canada-U.S. Free Trade Agreement is that which exempts U.S. Schedule II banks from the asset ceilings on the size of the foreign bank sector, thus improving the ease with which they can establish branches. Many of the banks feel aggrieved by this, as do the trust companies.

Perhaps even more important to the Canadian financial institutions is the second change taking place, and that is Europe in 1992. The evolution of the European Economic Community toward a full market integration will have tremendous impacts on the Canadian financial institutions. By the end of 1992, the 12 member countries of the community will become a single market for 320 million people within which individuals, goods, services and capital will be able to move freely as they do within their own respective nations today.

The service sector is a major part of the EC 1992 program. In this field, the banking directive is the keystone of the EC program. This will make it very, very difficult to have banks such as the ones in Canada get access to the European market. In the insurance sector, for example, the EC has made, and will make, a series of proposals to achieve a single European insurance market. The aim, as for banks, is to allow insurance companies to provide their service in the community on the basis of a single authorization.

In order to gain access to provide services in the European market, Canada will be under substantial pressure to grant to the Europeans the same privileges granted to the Americans under the free trade agreement, especially the exemption from the asset ceilings for European Schedule II banks.

A third factor affecting federal legislation is the recent provincial initiatives where the financial environment has been altered significantly since 1986 relating to the legislative programs of the various provincial governments. Several provinces, including Ontario, Quebec, British Columbia and New Brunswick, have updated their legislation as it pertains to trust and loan companies. This has generally meant that provinces are in the lead in providing new directions for financial sector evolution. The most far-reaching provincial initiative is the Quebec blueprint for financial sector reform introduced in 1987.

The above factors underline the need for reforming financial institutions in Canada. There is no question about that. The question becomes one of what sort of principles should be involved and how should we approach this? I think that the principles that are very important for us to remember in the House are the principles of competition and independence. Are we increasing competition in the marketplace, are we maintaining the independence of the institutions? In many cases, as we move into a globalization process, we could become afraid that our national institutions do not have the size to compete, we may set aside the questions of independence and competition within the Canadian marketplace for these other values.

I can assure the House that we on this side are very, very concerned that that balance be struck. That is why we look forward to seeing this piece of legislation referred to the committee and discussed in detail because we want to make sure that all parties have an opportunity to be heard.

In dealing with the question of competition many people, as individual consumers, are afraid that as these institutions grow so large that their interactions with the banks, life insurance and trust and loan companies, become so impersonal that they are not able to control that interaction, that there is information out there that makes them afraid about how they are being treated. Many of us live in a world of information and we take for granted how our information is gathered and how it is exchanged. But for many people, it comes as a great surprise to find out that they thought they were doing one thing at a bank or a trust company, and find out that somebody knew something else about him as a result.

• (1630)

I have here a letter written by a retired executive in Winnipeg who came across the most unusual example of how banks use information. I will read part of that letter because I think it is very illustrative of the concerns of Canadians as they face these changes. It states:

> My bank recently contacted me by telephone noting a large cheque had passed my account in the name of an insurance company and inquiring if the bank was satisfying all of my requirements for financial services.
>
> Subsequently, I complained to a bank vice-president citing what I felt was a misuse of confidential information and unethical practice in using a record of banking transactions, unavailable to other financial institutions, to market the bank's own financial service. I was informed that a breach of confidence would only occur if the information was shared outside of the bank and the ethical question was a fine line in a very competitive world.

Nothing is more unnerving to a businessman whose business might be vulnerable in a time of recession, or to a family that might be paying a large mortgage, to feel that a banking institution knows its every move and has every piece of information. Part of the squeeze play that can be put on a consumer is the squeeze play of using that information to the disadvantage of the consumer whether he or she be a business person or a person running a family.

The House has to be conscious of our responsibility to ensure that as we move toward the modernization of the process, which we support in every way, we do not forsake or move away from the principle of competition among these institutions. For example, we welcome the decision of the government not to allow the banks to sell insurance because we think that it sets up a retail network that would be very hard for independent people to survive. The insurance industry itself is very concerned about this. I am sure it will welcome the legislation in that context.

However, the other part of the legislation contradicts that intention when the government says that it will allow the banking industry to become involved as owners of an insurance company. If we accept that part of the principle of modernization and every other field has been integration, the very fact that we are setting up a process which allows at an ownership level an integration

of function, one would have to be pretty naive to assume that at the retail there would not be some products which reflect the integration.

The government has appeared to close the door on this issue, but I am wondering if it slammed it shut. Will we not see continuous pressure from the different associations which have something at stake here? We all know they are very active. Will they not come back to the government after this piece of legislation is passed and say: "We are all in this together. We have companies that do both businesses. We do not understand the rationale of why we cannot be involved in the leasing industry or in insurance selling"? Will it not just be a matter of time before we find another proposal on the table going back to the question of selling insurance?

Before this government came to power there was a different attitude to what changes would be necessary to ensure the solidity and security of our financial system. We wanted strong conflict of interest provisions and self-dealing rules. We wanted to guarantee the solvency of the players. The expansion of corporate powers into different areas of financial services was a secondary consideration, but the attitude has changed. Instead of protection for the consumer in the industry, the focus of this new legislation is exactly the opposite. It is expansion of concentration.

We have already seen what deregulation has done in other industries of national importance. For our airlines, deregulation has meant a reduction in the number of airlines and airline jobs, reductions in service for small centres, and over-all financial difficulties for the remaining carriers. The same could happen in the financial sector.

With the recent change-over to the fall schedule, I am sure all politicians from different regions in the House would join me in recognizing the fact that cities outside the Ontario-Quebec golden triangle are suffering greatly from the cutbacks in the airline industry. The reality that Canadians have to face is that the quality of the service being provided to many communities is nowhere what it was a few years ago.

Yet the basis of the argument for change is similar to the arguments that we face right here in the financial legislation: the arguments of globalization, free trade, and changes in the national economy. Those arguments we deal with here are the same technical arguments that we dealt with under airlines deregulation. We walked away from the principles of independence and the principles of competition in airline deregulation, and we have been badly hurt by it.

Will we even have two airlines in the 1990s? Can we imagine somebody raising that question in the House a decade ago, saying that we would only have one airline in Canada? That member would not have been respected or listened to for one minute. However, right now this government, because of its commitment to free markets, cannot protect two airlines. We will be left with only one. The government does not have any appreciation of what it means in the regions and of the lack of services.

Similarly, if the government does not apply the same principles in this legislation, companies trying to survive in regional markets, companies which have developed a segment or a focus in the marketplace will not be able to withstand the pressures from the big actors to take them over. They will not be able to recapitalize. They will not be able to take on the international markets because the rules within Canada will not be able to sustain their activities.

There are several companies which need the protection of the national government. That is why we have a national government, although it is not believed on the other side of the House. We have a national government to protect the public interest in Canada. While we respond to these international conditions and set up companies so they can compete internationally, we have to remember that our purpose is to make sure the consumer of Canada is dealing with companies which are both independent and able to survive, whether they are located in Vancouver, Winnipeg, or Halifax and that unlike the chartered banks they will have a regional focus in their activities.

There are many other issues to be raised but, if we take a look at some of these factors, we have reason to think that as we go through the consideration of this legislation, as we review the powers of the financial institutions, as we deal with the issues of closely held versus widely held ownership, commercial and financial linkages, foreign ownership and the regulations dealing with financial institutions such as self-dealing and sol-

vency, we will find that it is a step in the right direction to have a piece of legislation in front of the House finally.

I must encourage the government to spend a considerable amount of time in front of the committee, to encourage witnesses to appear and to take these deliberations seriously. The purpose of the government is not to accommodate the financial institutions but to establish public interest. What is lacking in this proposed legislation is the clear establishment of public interest in favour of independents and competition.

Mr. René Soetens (Ontario): Mr. Speaker, I have a concern about the comments the member for Winnipeg North Centre expressed. First, on Air Canada and Canadian Airlines, I am not sure they would appreciate the obituary the member opposite just gave to one of them, suggesting that one of them was going to be gone soon. I for one would have to disagree with that, but I will leave that up to the airlines to decide particularly.

The hon. member carried on about withstanding pressures and about how one institution may have to compete with another institution, whether it be banks, trust companies, or insurance companies. He then commented on the purpose we should have in the legislation of protecting the interests of independents and of smaller concerns.

I would like to know the view of the Liberal Party. Very clearly in this proposed legislation there is protection for independent insurance brokers, of which we all have members in our ridings, in the municipalities we represent. We also have a tremendous number of car dealers throughout Canada. Each of us has one in our own riding. These brokers or car dealers contribute an awful lot to the community. Our proposed legislation has put in place protection to make sure that these independents carry on doing business and contributing to the communities in which they operate.

An hon. member: And the leasing dealers.

Mr. Soetens: The car leasing dealers, absolutely.

I would like to ask the member opposite: Does the Liberal Party support the protection of these small, independent brokers and car leasing companies throughout Canada, or does it believe we should remove that from the bill and let the banks rule?

Mr. Walker: Well, of course not. I take my direction from the minister from my home province.

• (1640)

To go back to the question of Air Canada and Canadians, the reality is that it may be too soon to have an obituary; but it is not too soon to express concern about competition in that industry. To have two airlines essentially setting the pace and it almost being impossible for competitors to enter the market give us every reason to stand in this House and not wait until it is too late. I know the government would prefer to wait until it is too late, because then it can stand in the House and say that it has already happened and there is nothing it can do about it.

Of course we stand for the increased competition among independent insurance agents. Many families have built up multi-generational businesses through acting as independent insurance agents. They must be protected and therefore they must have products that they can put on the marketplace.

I do not know about you, Mr. Speaker, but the last time I looked the banks in Canada did not sell their products through independent agents. They sold their products through branches that they controlled. If we allow this system to continue, those branches will pick up every service they can. The principle behind this legislation, when it is finally passed, has to be to protect independent businessmen in every region of this country so that they can continue to survive.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, one wonders whether the hon. member for Ontario is representing the interests of Ontario in a national government which becomes more and more fractionalized, as we see through this legislation.

I wonder if I could draw the attention of my hon. colleague for Winnipeg North Centre who gave us a very thoughtful approach to the implications of this legislation, not only to competitiveness on a world scale but competitiveness in the four pillars of the financial sector, as he outlined. He also outlined what that competitiveness would do not only for the independents that operate in that business but, most important, the theme upon which he touched.

I noticed that the parliamentary secretary opposite a few moments ago suggested that the level of service, the quality of service and the security of service provided to depositors in trust and loan companies and banks should

be the main focus of attention in this legislation. It should also be the type of regulations that will allow for the maximizing of opportunities that depositors and consumers would like to see from the four pillars of the financial sector.

Mr. Walker: Mr. Speaker, these issues are very important throughout the country, particularly in Manitoba. One of the last remaining independent insurance companies was Great West Life, which operated out of Winnipeg very successfully. Also the last remaining independent brokerage house in the country, Richardson and Greenshields, had its beginnings and its focus in Winnipeg.

An hon. member: And Wawanesa.

Mr. Walker: Yes, Wawanesa is another company. Winnipeg has a long tradition of building up financial institutions. Of course I know members from other parties who come from Manitoba would join with me in making sure that those companies remain strong and healthy through new legislation.

It is interesting how the changes sometimes go unnoticed, but I am sure the hon. member who just asked the question would be interested to know that in the last decade service charges in the banking system in Canada were introduced very quietly, obviously with the acceptance of the government. Canadian consumers now pay annually $3.1 billion, an average of $120 per person in banking charges. Those fees never existed before.

An hon. member: Isn't that disgusting? It is hard to believe it.

Mr. Walker: One of the greatest areas of expansion in banking profits in this country is from those services. We can see that if we allow that sort of development to continue without some questioning or without some movement on the part of the government to challenge them as to the need for this money, we will find ourselves to be victims again.

Consumers do not like their governments to be victims and to be feeling sorry for themselves. They like their governments to be strong. to show some purpose and to show some direction in protecting the consumer. Of course, as we see in the recent oil prices, the ability of the government to protect consumers is somewhat limited; but I am sure that the minister knows his responsibility and will be ever vigilant in protecting the Canadian consumer. That adventure is his commitment.

There are many other points I could raise, but I am sure the House wishes to continue so I will leave it at that.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I am pleased to have this opportunity to participate in the debate on Bill C–83.

First of all, I would like to congratulate the Minister of State for Finance for finally going ahead with this important process. As we know, we have had several papers in the past, but this minister has really started the process. He has taken a pragmatic approach and not a theoretical one.

The major objective, as I see it, is to make our financial institutions more competitive for the benefit of consumers. The world of financial services has been changing rapidly for a few years, and we must change.

The Parliamentary Secretary to the Minister of State for Finance covered what I think of as the marketing side very well a few minutes ago. He did that very thoroughly.

Today I am going to deal primarily with the elements of ownership proposals affecting banks, trust and loan companies, life insurance companies, property and casualty companies, and the like of credit unions.

The federal government does not propose that a single ownership structure be imposed on all federally regulated financial institutions, or that a total ban on commercial enterprises acquiring any financial institution be enacted. The issue has been debated at length by parliamentary committees, industry associations, financial institutions and their owners. Arguments have been made in favour of both widely held ownership and closely held ownership and it is apparent that no ownership model is correct to the exclusion of all others.

The proposed legislation thus puts forward a pragmatic approach by allowing both forms of ownership to continue to exist within a strengthened regulatory environment.

Let me take a few minutes to discuss our bank ownership proposals. The proposed revisions to the Bank Act would permit chartered banks to be either

widely held, on a path to wide ownership, or directly owned by a widely held regulated financial institution.

For Schedule I banks, which include the six largest domestic banks, the revised Bank Act would maintain the current regime of wide public ownership. Wide ownership of banks prevails in one form or another in all western countries and in Japan. The policy would ensure that the big six domestic banks would remain widely held with no one person or group of associated persons owning more than 10 per cent of any class of shares.

The existing Bank Act permits a Canadian or a group of Canadians to start a Schedule II bank and own it on a closely held basis for the first 10 years after receiving a bank charter. After that time, it must become widely held. This provision would be maintained in the new Bank Act.

As well, the new Bank Act would continue to permit a foreign bank to apply for permission to establish a foreign bank subsidiary in Canada, designated as a Schedule II bank.

In the new measure, the proposed Bank Act would expand the Schedule II bank designation to include banks that are directly owned by, and continue to be owned by, widely held regulated financial institutions that are not themselves banks, whether they be Canadian or foreign.

Owners of such a bank could be widely held trust, loan or stock life companies as well as mutual insurance companies or widely held securities dealers. As is currently the case for foreign banks that wish to establish banks in Canada, one of the factors that would be considered prior to giving approval for a widely held financial institution to own a bank would be the presence and nature of non-bank activities operated by the parent of the proposed bank.

If the ownership of a Schedule II bank subsequently changes as a result of a takeover or of the parent bank by an unregulated entity, for example, the Schedule II bank would be required to be widely held within 10 years. If it wishes to remain closely held, it could convert to become a federally incorporated trust company.

As to the ownership of non-banks, the trust and loan company bill and the insurance companies bill will permit federal trust, loan and stock insurance companies to continue to be closely held and if sold, to be sold on a closely held basis.

A federal trust, loan or stock insurance company with $750 million or more in consolidated capital would be required, within five years, to take the necessary steps to ensure that at least 35 per cent of the total voting rights in the company are attached to shares that are widely held and listed for public trading on a Canadian stock exchange. A Canadian financial holding company or Canadian regulated financial institution could be eligible to meet the rule on behalf of its trust, loan or insurance company subsidiary.

• (1650)

Schedule I banks would automatically meet the 35 per cent rule by virtue of their 10 per cent ownership limit. The 35 per cent rule would not be relevant for Schedule II banks that are required by legislation to meet the 10 per cent wide ownership requirement within a 10 year period.

For other Schedule II banks, the 35 per cent rule would apply where a capital size of $750 million is reached because of the acquisition of a large domestic institution that, prior to the acquisition, was itself subject to the 35 per cent public shareholding requirement. A ministerial exemption from having to meet the 35 per cent requirement will be available for institutions that reach $750 million in capital through internal growth. Other situations, such as reaching the $750 million capital threshold through successive acquisition of a number of small Canadian financial institutions, would be examined on a case-by-case basis.

An extension of the five-year time limit would be possible where general market conditions warrant and the minister is satisfied that a company has used its best efforts to satisfy the rule.

The 35 per cent rule will ensure a significant public shareholding to provide a counterbalance to the influence of the majority shareholder. An element of broad public ownership can bring benefits in terms of ensuring market scrutiny and establishing the basis for sound, corporate government.

As for foreign ownership, the existing foreign bank regime will be maintained. However, the foreign bank guidelines will be modified to cover entry by non-resident widely held regulated financial institutions that are not banks, such as life insurance companies and securities dealers. In addition, the so-called 10/25 foreign

ownership rules now found in federal legislation, which limit acquisitions of Canadian controlled financial institutions by non-residents, will be based on a broader definition of control.

As part of the Canada-U.S. Free Trade Agreement, U.S. residents are not subject to the 10/25 rules. As noted previously, all significant changes in ownership of federal financial institutions will also be subject to the approval of the Minister of Finance, who will consider a number of factors, including the best interests of the financial system.

An ownership approval process is an important element of the proposed ownership regime. At present, the Minister of Finance has the authority to approve all start-ups of federal financial institutions, but subsequent changes in ownership do not always require approval. It is proposed that this deficiency be corrected by requiring that significant changes in ownership of federal financial institutions be subject to the approval of the Minister of Finance. This will ensure that a takeover is in the best interests of the financial system and that new owners have the expertise necessary to run a financial institution, adequate financial resources and sound and feasible plans for the future conduct and development of the business.

An investor will be required to obtain the approval of the Minister of Finance in order to buy shares of the financial institution that would result in the investor owning in excess of 10 per cent of any class of shares. Similarly, if an investor already owns more than 10 per cent of a class of shares and wishes to purchase additional shares, approval will be required.

Finally, an investor will be required to seek ministerial approval if that investor acquires control of a company that is linked to a financial institution and, as a result, there is a change in the significant ownership interest in the institution. For the ownership approval process, and generally throughout the legislation, control will be defined to include control in fact.

The proposed legislation will permit minor fluctuations in ownership to occur without requiring approval. As well, it will provide prospective owners with the opportunity to obtain pre-approvals so that they can make business decisions with certainty.

As announced on August 11, 1989, the new legislation would make the approval process for trust and loan companies effective as of that date.

I believe the ownership proposals will work to the benefit of both the financial industry and its customers. I ask that we move forward quickly with the proposed legislation before us today.

As a long-time member of the finance committee I want to say that we are beginning to hold hearings. The member for Ontario might correct me, but I believe the deadline for submissions is November 15. We will be consulting widely with all people affected, auto leasing companies, insurance brokers, banks, trust companies, and credit unions, because this is an important milestone in financial services in this country. We do not intend to get bogged down. Yes, we will consult. Yes, we will take ample time. But, given how quickly the world is changing out there, Canada needs to be competitive.

I think we can be tremendously proud of our banks. When considering what is going on in the United States these days with the trouble that certain banks there have been getting into with bad loan portfolios, look at our banks. They are very sound. Some people might have been a little afraid of the free trade agreement, but our banks, which are class banks, are going to be even more competitive in the U.S. market.

Look at what is happening down there in the savings and loan industry. They are in trouble to the hundreds of billions of dollars. Even though they are closely held, look at the trust companies we have that have been so well managed.

Our life insurance industry, as well as the property and casualty, is not without some problems but frankly, due to the good management, good personnel, and also due to the very fine and thorough inspection by the authorities in Ottawa of their loan portfolio, capitalization rates, and so on, those companies have kept Canada in the forefront by being very sound financial institutions.

I take exception to any person who thinks that we are opening doors for weakened financial institutions. I think it is just exactly the opposite. I take great pride in being a part of this process. I wish it had started three years ago, but it did not. We are into round one and I

hope that all sides of this House will co-operate to enact the necessary legislation just as quickly as possible so consumers will have better deals out there and the financial institutions will be able to compete more effectively.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would like to ask the hon. member a question. When I look at a piece of legislation such as this, one of the questions I would like to ask is how does it helps the working man and working woman of Canada? Second, what evidence does he have that it will make us more competitive than U.S. banks, which is one of the points he has made? The answers to those two questions would be of great interest to me.

Mr. Attewell: Mr. Speaker, I want to thank the hon. member for the question.

The Canadian banks in this country have approximately 7,000 branches, give or take a few hundred. They are about twice as well branched—if I could use that term—as banks in the United States. There is absolutely no risk that any U.S. bank—and mark my words, check it out in a few years—is going to come into this country and out-branch our fine Canadian system. Our banks have been well placed for years and will be able to service their Canadian customers very adequately, whether it is in a small town like Moose Jaw, Saskatchewan or in downtown Toronto. I believe the American banks will concentrate more on the commercial loan aspect and other things. So I do not have any doubt there.

This proposal supports the organization of our fine insurance brokers, thousands across the country with small independent agencies, who give personal service and have that expertise. No American will be able to compete. No new American will come in on that.

There are thousands of auto leasing dealers across the country. It is a type of service requiring expertise and personal service. This legislation supports them 100 per cent and they will also be able to compete.

As Canadians, with great respect, I think we often kind of hold our heads down—

The Acting Speaker (Mr. DeBlois): Order, please. It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Attewell: On a point of order.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Markham—Whitchurch—Stouffville.

Mr. Attewell: Mr. Speaker, I did not finish the full 10 minutes of questions. With full consent of the House, might we continue?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

The Acting Speaker (Mr. DeBlois): There is no unanimous consent. We shall therefore proceed to consideration of Private Members' Business.

PRIVATE MEMBERS' BILLS—MOTIONS

[*Translation*]

OFFICIAL LANGUAGES ACT

MOTION FOR TABLING OF REGULATIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved:

That, in the opinion of this House, the government should table as quickly as possible the regulations made under the Official Languages Act passed by the House of Commons on July 28, 1988 and promulgated on September 15, 1988.

He said: Mr. Speaker, this motion is dated April 10, 1989. It is over a year old. It is still current, however, because as you know, the government has yet to table the draft regulations for the new Official Languages Act that was adopted here in the House more than two and half years ago.

I would like to thank the hon. member for St. Boniface who seconded Motion no. 408, which asks the government to table as quickly as possible the regulations made under Bill C-72.

Mr. Speaker, I have an impressive chronology of this legislation which, as you know, was adopted by all parties in this House, by a majority of members present, and was unanimously supported by official language minority groups.

Bill C-72 was adopted here in the House on July 7, 1988. On September 15, 1988, more than two years ago, the Act came into force. However, Mr. Speaker, an act without regulations is a paper tiger. It has no teeth. Its teeth are the regulations. It needs regulations if people are to know how it is to be applied.

A few months later, on April 10, 1989, I tabled a motion, the same motion before the House today, asking the government to table its draft regulations. On April 11, in his 1988 Annual Report, the Commissioner of Official Languages asked that the regulations be tabled by the end of 1989. On April 11, I put a question in the House to the President of the Treasury Board, asking him to table the regulations, and if not, why not. His answer, Mr. Speaker, was that consultations were being held.

On October 12, I wrote a letter to Mr. Robert de Cotret, President of the Treasury Board, about the draft regulations, and I asked him again: when are we going to get the regulations? He answered my letter on January 26, 1990, saying it would be as soon as possible.

You need a lot of patience in this House, Mr. Speaker. You need a lot of patience if you want to get this government to act on issues as important as official languages.

On January 26, 1990, in a statement pursuant to S.O. 31, I again asked the government to table its regulations.

On February 2, I was back again with a question for the new minister, Doug Lewis, who informed me that he was working on it and that drafting regulations was a lengthy process.

On March 13, 1990, I put another question to the President of the Treasury Board. He told me what I already knew, that consultations were continuing, although everybody said that the consultations were over with. Everybody was saying that, Mr. Speaker. The minority language groups had been consulted, so I got in touch with them, I talked to them, and they told me it was all over with and they didn't know why the government was still hesitating. I don't either.

In his 1989 Annual Report, tabled on April 3, 1990, the Commissioner of Official Languages brought the matter up again. He said the delay was unacceptable. On April 3, 1990, I rose in the House again and asked the government about the regulations to implement the Official Languages Act, and the answer was again very vague: they were involved in consultations.

On April 4, 1990, the Commissioner of Official Languages threatened to resign, and I quote:

[*English*]

> So, as a protest against this current situation I am going to consider very seriously the possibility of tendering my resignation unless there are serious improvements because I am an officer of Parliament and I have not been appointed just to sit, watch and make annual reports.

Mr. Speaker, that was a statement made by the Commissioner of Official Languages on CHEZ–106 in Ottawa on April 4, 1990.

On April 4, the same day, I was moved again to ask the President of the Treasury Board, the Hon. Doug Lewis, if he would at least give me an answer and answer some of the letters I had been writing to the government, written to his predecessor, Benoît Bouchard, and Doug Lewis answered that the regulations were being formulated and that consultations were going on.

[*Translation*]

On April 4, 1990, I moved again, hoping that, in time, I would drive my point home. It is like driving a nail, you have to hit three, four, five times. The same is true of speed signs on the highways, Mr. Speaker. The "100 km speed limit" sign is not posted only at the beginning of the road, but every four or five kilometers. I told myself: "This government is either stubborn or deaf. Let's give it another try." So, I did again on April 10.

On June 14, 1990, the second report of the Standing Committee on Official Languages was tabled. It was not the report of Jean–Robert Gauthier, MP for Ottawa—Vanier, but that of the Committee on Official Languages, which is like the government made up of Conservative members. Still, they asked the government to table as soon as possible its draft regulations made under the Official Languages Act. We are still waiting, Mr. Speaker.

The government has a few more days, until November 11, to respond to that House Committee report. I would hope that, although they did not want to answer the member for Ottawa–Vanier, they will at least have the good sense and heart to answer a parliamentary committee which asked the government for a response within the allocated 90–day timeframe as to why the regulations have not yet been tabled.

Mr. Speaker, I wrote the Prime Minister. I wrote the newly appointed President of the Treasury Board on October 18 asking him to table the regulations. It is

getting tiresome to keep writing ministers without ever getting an answer.

The Official Languages Commissionner tabled a special report on October 25, that is a mere five days ago, asking the government to table its draft regulations under the Official Languages Act. On the same day, my colleague from Notre-Dame-de-Grâce asked a question to the President of the Treasury Board because he too is interested in that project, like my friend from Saint-Henri—Westmount and all my colleagues on this side of the House, Mr. Speaker. We are all interested in seeing this legislation implemented. We have been waiting for two years and a half, and for two years and a half we have been told: be patient and we will get over many problems.

However, one of the problems is that all political parties have approved the regulations, but only one party is in power; it has the power to introduce these famous regulations so that we know why and how the legislation will be applied.

I want to simply remind the House of the purpose of the Official Languages Act. By the way, Mr. Speaker, recently, I read in an editorial a line that said: "Language justice delayed, language justice denied." I think that this is true. When you delay something, it is because you want to deny it eventually. Either you are unhappy, or nervous, or a little insecure. Therefore, I ask the government, again by way of a motion, supported by the member from Saint-Boniface, to table these famous regulations so that we can review them together and decide if they are going to work, because the Act contains some provisions that will allow members of this House to debate these regulations. And if these regulations are not suitable and 30 members want to oppose it, they can do it in this House. We certainly have to start somewhere, Mr. Speaker.

• (1710)

The Commissioner of Official Languages report tabled last week, October 25th, is a special report—something rather rare—and in this report the Commissioner criticizes the fact that some sections of the Official Languages have not been implemented. These are important sections, for example the one dealing with the number of Canadians needed for the federal government to provide services in either official language? Should it be 500, 1 000, 5 per cent, 10 per cent? Nobody knows, Mr. Speaker.

In my opinion, it is quite simple: one person is enough to warrant the provision of a federal service in a country which claims to be respectful of both its official languages, Mr. Speaker. All Canadian wherever they live should be able to communicate with the federal government, and I say federal government, and be entitled to receive in the language of his or her choice all necessary services, information and notices.

The Commissioner criticizes the lack of respect of certain fundamental rights of Canadians. He said, Mr. Speaker, that the failure of the government to issue regulations weakens the confidence of the public in the Canadian linguistic duality. And this is very serious! The refusal of the government weakens the confidence Canadians have in the linguistic duality, because nobody knows how the legislation applies. Even civil servants have received no new directives in two and half years, they do not know how legislation applies to them, what are their own rights, whether they have the right to work in their own language, English or French, and they work for the federal government. It seems to me that these are basic principles which have to be clarified, which must no longer be left in the dark.

Mr. Speaker, I hope the government response to the second report of the Standing Joint Committee on Official Languages will be complete and logical, but above all I hope that between now and November 11, two weeks, the government will have enough courage to do what it has to do, and that is face up to its responsibilities and table the regulations in the House.

By way of example, the Canadian Parliament is debating a bill to levy a new goods and services tax in Canada. What a surprise, Mr. Speaker! We already have draft regulations stemming from a piece of legislation that has yet to be adopted by Parliament! But when it comes to the Official Languages Act and regulations, what is a two and a half years delay!

Mr. Speaker, the Official Languages Act is a fundamental piece of legislation in this country. And if the government has any intestinal fortitude, as I suggest it should have, it should be possible for it to produce the regulations concerning the Official Languages Act. But no! Would it be that monetary considerations take

precedence over linguistic issues? I ask the question because— Of course, the answer is clear enough.

Mr. Speaker, denying access to linguistic rights—and I say this with all the sincerity I can muster, for the failure to produce the regulations is tantamount to failing to properly apply the Official Languages Act itself—is the same thing as telling Canadians that in their communities they are not entitled to have regulations and a law that are fair, equitable and applicable throughout the country.

My request is not more complicated than that, Mr. Speaker. It is quite honest and I dare hope that today this government will have enough guts not to tell us that it is involved in consultations right and left. It would not be telling the truth. The time for consultation is over. I know full well that there have been four different ministers over the past two and half years, that it is difficult to train a new minister, that departmental officials change constantly, that it is difficult for a minister to get to know all these matters, but I trust that the current minister will show fortitude and make sure that these regulations come out as soon as possible, Mr. Speaker, because it is urgent!

If the government is able to submit draft regulations dealing with the taxes Canadians will have to pay, it should be able to issue regulations dealing with the Official Languages Act! I therefore ask the government to respond affirmatively to this motion.

[*English*]

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, I welcome this opportunity to inform the House about the government's actions to implement regulations under the Official Languages Act. There has been some concern expressed about the time it is taking to put these regulations in place.

In addition to the parliamentary committee on official languages, the Commissioner of Official Languages, representatives of the minority official languages associations and others have urged the government to take action. Now the government is asked to table the regulations as quickly as possible.

The government has been moving as quickly as possible to bring these regulations before the House. The suggestion that the government is not moving quickly enough is based on misunderstanding about the process which must be followed.

In the 1988 Official Languages Act, Parliament set out in broad terms the course Canada will follow in official language policies and programs. The act sets out the right of the public to communicate with and receive services from offices of federal institutions in the national capital region and in other offices where there is significant demand for services in English and French and where the nature of the office makes it reasonable to provide these services in either language.

The act also sets out some very specific responsibilities, particularly for Treasury Board. The act directs that the Treasury Board take responsibility for the general direction and co-ordination of policies and programs for all federal institutions exclusive of Parliament for the implementation of the Official Languages Act. Treasury Board is also responsible for recommending regulations to cabinet. The President of the Treasury Board must present Parliament with a draft of any regulations that the Governor in Council intends to put forward.

[*Translation*]

Mr. Speaker, our government is anxious to consult the public before adopting regulations which are likely to affect them. A preliminary consultation seems the best way to ensure that the regulations are workable, fair and equitable.

In 1986, the government developed a policy for the drafting and publication of federal regulations. When dealing with such basic issue for our society as the official languages, Parliament took a number of additional steps by including in the Official Languages Act the process to be followed for the adoption of the regulations. That is precisely what we are doing!

If I may, Mr. Speaker, I should like to review the four main steps leading to the adoption of the regulations under the Official Languages Act.

The first stage is the most time consuming because all interested parties are supposed to participate into it.

To open the consultation process, the government publishes every year a statement of intention in its Federal Regulatory Plan, to inform Canadians of the regulations to be passed during the year.

In the case of the regulations made under the Official Languages Act, this document provides a short description of the general objectives and scope of each regulation.

As all hon. members probably know, a first series of consultations was held with representatives of both French and English communities throughout Canada to obtain their views on this matter. These consultations are compulsory under the Official Languages Act.

The proposals were then reviewed in the light of the views expressed in order to better reflect the needs identified during the consultation process.

• (1720)

Moreover, in keeping with the announcement he had made in this House, the previous President of the Treasury Board met with representatives of the two main umbrella agencies, namely the Federation of francophones outside Quebec and Alliance Quebec. He than knew for sure that no other propositions were better than the ones put forward.

Now that these preliminary consultations are over, the government can confirm to the members of this House that it is now ready to proceed with the approval of the proposed regulations as soon as possible and in the most appropriate way.

[*English*]

In the second stage of the process set out in the act, there is consultation with Parliament. This second stage, which is also unique, gives members the chance to study the regulations thoroughly.

To this end, the act says that the President of the Treasury Board shall lay a draft of the proposed regulations before the House of Commons. The act specifies that there must be 30 sitting days of the House before the draft regulations can be prepublished in the *Canada Gazette*. During the next 30 sitting days of both Houses of Parliament, the general public again has the opportunity to comment on the proposed regulations.

The regulations in draft form are made available to the public in Part I of the *Canada Gazette* which publishes them along with a description of their expected impact. The comments are studied. If they point out weaknesses or suggest improvements, the regulations can be changed.

Finally, the regulations are approved by cabinet and published in their final form with a final description of their expected impact in Part II of the *Canada Gazette*.

[*Translation*]

Mr. Speaker, the process I have just described is a long and complex one. But in this way all Canadians have the opportunity to express their views on the regulations. That is something nobody should object to.

The process which allows people to make their views known about the regulations is not the only complex criterion we have to meet in order to develop the regulations made under the Official Languages Act.

The regulations themselves are particularly complex.

In the case of the Official Languages Act, we need regulations to make sure the law is applied in a fair, reasonable, and consistent way. To meet this triple goal, we have to examine such concepts as "significant demand", "nature of the office" and "services to the travelling public".

Although mention is made on the Act some general criteria to define more specifically concepts such as "significant demand", the regulations have to take into account contingencies that may not, and should not, be set out in the Act.

As for the "nature of the office", the regulations must take into consideration, for example, the health, safety and security of members of the public, as well as the location and activities of the office.

[*English*]

Hon. members will appreciate that the regulations must be uniform and fair legal definitions, which can accommodate various circumstances in all parts of this country. Such uniformity and fairness is not achieved quickly.

We know that the Treasury Board secretariat has been hard at work for more than a year consulting with minority language associations and holding discussions with federal departments, agencies and Crown corporations.

Regulations are being drawn up which reflect the linguistic realities of Canada and which are fair. The government should not apologize for the time it is taking. The government should not be rushed into preparing regulations in haste. The government should

be given the chance to consult fully with interested parties.

The act ensures that all Canadians will have ample opportunity to comment on regulations that will contribute to a better service to the public across Canada.

I know that the government intends to propose regulations that are fair and reasonable. As a member of Parliament, this is an objective that I support. I trust that all members will lend the same support to these regulatory proposals once they have been placed before us.

The Acting Speaker (Mr. DeBlois): The hon. member for Notre-Dame-de-Grâce.

Mr. Waddell: Point of order, Mr. Speaker. With respect, normally there is a spokesperson for each one of the parties. In this case the Liberal Party member brought forward the bill, then the Conservatives responded. It is normally then the turn of the New Democrats.

I do not object to hearing from the member for Notre-Dame-de-Grâce. He is always worth hearing from and he will get to be heard, but I think that is the normal round.

With no offence to him, I have to object on that so we do not create any big precedents here.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am the servant of the House. If it is agreeable to the Liberal opposition, I am prepared to recognize the hon. member for Port Moody—Coquitlam.

Mr. Waddell: On a point of order, Mr. Speaker. It is not a matter of whether or not it is agreeable to other members of this House; we have to follow the procedures and the Standing Orders, the normal process here in this House.

When the normal process is followed, we have a Liberal, a Conservative and a New Democrat and then members of splinter groups.

The Acting Speaker (Mr. DeBlois): I think I will stand by my decision and immediately after I will gladly recognize the hon. member for Port Moody—Coquitlam.

The hon. member for Notre-Dame-de-Grâce has the floor.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, it is my understanding that in private members' hour now the rules that apply in ordinary debate do not apply and that you pick speakers as you see them.

Mr. Speaker, the motion presented by the hon. member for Ottawa—Vanier asks the government to table as quickly as possible the regulations necessary to implement the Official Languages Act of 1988 which was passed more than two and a half years ago.

Two and a half years have passed since this House voted on that bill and we still do not have the regulations. It is interesting to note that during that debate the Prime Minister stated that he was willing to have the House sit night and day in order to pass the legislation because it was essential for the country. Those were more or less the exact words of the Prime Minister.

Mr. Speaker, you will recall that the opposition to the bill at that time was not made by any of the opposition parties. The opposition came from certain members of his own party who were referred to by the press as dinosaurs. That opposition was there and the Prime Minister, wanting to get on with the business, said he would have the House sit night and day to pass the legislation because it was essential for the country.

I must ask what happened between those days in 1988 when the Prime Minister thought it was absolutely essential to get this legislation through and the two and a half years which have passed since. One wonders whether the dinosaurs within the Conservative caucus have grown in strength and have now more or less thrown obstacles in front of the government so that it does not have the political will to proceed with this legislation.

I refer to an editorial which was written in *The Montreal Gazette* of October 29, a few days ago, following the special report submitted to this House by the Commissioner of Official Languages. The headline in

the *Gazette* editorial states: "Languages law languishes. Ottawa's delays are letting the country down". Then it goes on to say: "Linguistic justice delayed is linguistic justice denied".

We not only have the promise of the Prime Minister during the debate to implement this legislation quickly, but the Commissioner of Official Languages has pointed out in his recent special report in which he condemned the government for not implementing the legislation a whole list of promises by ministers of the government that we were going to get the regulations soon.

• (1730)

On April 11, 1989, in answer to a question put by the hon. member for Ottawa—Vanier, the President of the Treasury Board said that the regulations would be tabled in the House before the end of 1989. That was a full year after the bill was passed. In any case, 1989 came and passed by, and we still did not see the regulations.

Then, on the first anniversary of the act, the Commissioner of Official Languages put out another press release on September 15, 1989 and asked what was happening, when were we going to see the regulations? Then again, in his famous annual report of April 3, 1990, the Commissioner of Official Languages felt he might have to resign because the government was in contempt of Parliament which had passed the law, and still there were no regulations to implement the legislation.

On the same day the President of the Treasury Board said that before June 23, before the summer, we would see the regulations. That was earlier this year.

The House adjourned at the end of June, the summer passed, and we still have no regulations. I might say that at the end of June the Standing Joint Committee on Official Languages issued a special report, a unanimous report, including Conservative members of the committee, Liberal members of the committee, New Democratic members of the committee, and senators from both parties, requesting the immediate tabling of the regulations to implement the legislation.

The House came back in September, and we still have not had the regulations. I raised the question a few weeks ago in an adjournment debate and the parliamentary secretary came to the House and said: "Soon". Well, Mr. Speaker, soon is not good enough.

As a result, we see the Commissioner of Official Languages has once again condemned the government for its delays.

The minister, the parliamentary secretary and, again this afternoon, my hon. friend from Lachine have said that the reason is consultation. I have been in touch with the groups that were the subject of that consultation, and they say the consultation was over long ago.

When the Commissioner of Official Languages tabled a special report last week, he said in the press conference which he gave that he himself had been in touch with the groups, the *Fédération des francophones hors Québec*, Alliance Quebec, and the other francophone minority groups in the country, and they said that the consultations were finished. They do not understand what this talk is about consultation.

The reason is not consultation. We have no clear evidence. The reason appears to be a diminishing political will due to something that is happening within the Conservative caucus, but that is not reason enough.

While this delay has been taking place, we know that there has been a growing opposition to official bilingualism in this country, and that is unfortunate. Following the failure of the Meech Accord we have seen the growth of intolerance on both sides. Polls tell us that the majority of Canadians still favour official bilingualism, so the government should listen to those polls in this case. It should move ahead despite that growing opposition, but it is not showing the leadership.

The opponents to bilingualism are speaking out. I refer to groups such as APEC, the Association for the Protection of English in Canada, a unilingual, anglophone group which is anti-francophone, the Reform Party which has taken a position against the Official Languages Act, the COR Party, and certain Ontario municipalities which have passed resolutions against official bilingualism. That is on the anglophone side.

On the francophone side we have seen the Government of Quebec pass Bill 178, contrary to the court decisions at three levels in Quebec: the Superior Court

of Quebec, the Court of Appeal of Quebec, and the Supreme Court of Canada. Yet the Government of Quebec introduced and passed Bill 178, contrary to the principles of good bilingualism. We have seen, as well, the growing strength in the polls of the Parti Quebecois and the emergence in this House of the Bloc Quebecois, groups which are not fully favourable to official bilingualism.

While this growing opposition to bilingualism has been taking place since the failure of Lac Meech, the government has not shown any leadership.

It introduced a bill in 1988. Every opposition party supports that bill. The only ones who oppose it are a few dinosaurs in the Conservative Party. We support the government's bill, and the government has not implemented it for one reason or another.

That is not good enough. I would hope that somebody representing the government would intervene. I know that my hon. friend from Lachine has intervened. He comes from the anglophone minority of Quebec, as I do, but we want somebody representing the ministry. We want somebody representing the Prime Minister who will stand in the House this afternoon and say: "We are going to introduce those regulations next week" and "we are going to move ahead with official bilingualism in this country".

Mr. Crosby: Mr. Speaker, I rise on a point of order. I think, in the interests of the orderly conduct of this debate, there would be agreement in the House to hear next the member for Port Moody—Coquitlam and afterward two members from the government side, beginning with the member for Témiscamingue if that is agreeable.

Mr. Waddell: Mr. Speaker, I rise on the point of order. I agree with that, since I am the next one to speak, but I do not need permission to be able to speak. As the third party the NDP should be speaking next.

[*Translation*]

The Acting Speaker (Mr. DeBlois): There is no problem. The hon. member for Port Moody—Coquitlam has the floor, and I thank him for his understanding and his collaboration.

[*English*]

An hon. member: Why two Liberals before the NDP? It is not fair.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my friend says: "Why two Liberals before the NDP? It is not fair". Don't worry, after the next election there will be two NDP for every Liberal.

Some hon. members: Oh, oh.

Mr. Waddell: Mr. Speaker, I just want to say to the member who last spokes, my friend from Notre–Dame–de–Grâce, that he put his finger right on it by saying that there is a diminishing lack of political will in the Conservative caucus. That is the only reason that we can see why this bill and its regulations are not being implemented. Everybody agrees. It is not a question of consultation.

The other matter that he underlined—and he has much experience in this area and is worth listening to in the House—was that there is a growth of intolerance in Canada. The member and I sat on that Joint Senate–House of Commons Committee on Official Languages when APEC, the Association for the Protection of the English Language, came before it. We could see the intolerance.

As the member pointed out, there is intolerance both on the side of the French and on the side of the English. It is not restricted to one side. The member spoke out eloquently at that committee meeting and asked some pretty pertinent questions. He has always taken the position that we have to fight intolerance, whether it is English or French, anywhere in Canada. I just want to underline that I totally agree with him on that.

The question as he raised it at the end is—and if he had more time he could talk more about it; maybe I will—who is speaking for Canada? Who is showing some leadership for this country? Who is trying to bring it together?

I watched the Prime Minister in Question Period. He spends a lot of his time making cheap points. "Well, that belongs to the responsibility of the last Liberal government", or "I can quote from Jean Chrétien who said" such and such, or "I can quote from Ed Broadbent" who said such and such, or "I can quote the member of Kamloops".

Those are cheap political points. I was ill at home last week in Vancouver so I watched television. I watched you on television, Sir, doing a superb job in your debut as deputy speaker. It is very interesting to watch this House for a bit. The Prime Minister should take a week off and go home and watch the House on television. Maybe he wouldn't be so smart-alecky and so quick to put down things rather than explain things to the Canadian people and show some leadership.

Let me deal with a couple of points in this debate. First of all, to the member for Lachine—Lac-Saint-Louis, the Conservative member who spoke for the government, I was going to say: Murder your speech writer, but that is a little too much. Take your speech writer out, he or she, and just hit them over the head a little bit. Wake him up. Get rid of it. Tear up the speech.

• (1740)

The hon. member is thoughtful and gives good speeches, but what an apology for bureaucratic inertia. It is one of the worst apologies I have heard. He said that the government has moved as quickly as possible. Is this moving as quickly as possible? This government makes a tortoise look like A. J. Foyt, the racing driver, it moves so slow. A tortoise moves quickly compared to this government.

Have you ever heard of Mackenzie King, Mr. Speaker? He used to be famous as a Canadian politician who always put off decisions. Sir John A. Macdonald, "old tomorrow" they called Sir John A. Macdonald. This government makes Sir John A. Macdonald look faster than a speeding bullet in making a decision, or Mackenzie King, because it simply is not making any decisions in this area.

The hon. member says that we are misinformed and that he will inform the House. It is not just us who are misinformed. Tell that to the Commissioner of Official Languages who does this job full time and is expert at it. He says that the government is dragging its feet.

What a pitiful excuse in that speech for bureaucratic dilly-dallying. He spoke of consultations and revisions. I made notes of this. Three times he spoke of revisions and he made four mentions of consultations, the first stage of consultations. Then there was the second stage of consultations, and no doubt there will be the third stage or the fourth stage.

MPs can study it and it can get in *The Canada Gazette*. It just goes on and on and on. The bureaucrats are fiddling while Canada is burning. We should get down on our knees and ask God, he or she, to say to the government: "For God's sake, show some leadership in this country".

This is not an unimportant area; this is a very important area. Let me just recap the motion and give a viewpoint from the New Democratic Party on this motion. The motion is that in the opinion of the House, the government should table as quickly as possible—

[*Translation*]

"As quickly as possible", in the other official language.

[*English*]

—the regulations made under the Official Languages Act passed by the House of Commons on July 28, 1988 and promulgated on September 15, 1988. This is October 30, 1990, and we are still waiting.

The background of the issue is as follows: Bill C-72 was passed in the House on July 20, 1988. The government has not presented the regulations required to put the bill into force. That is the way legislation like this works.

This spring, in the annual report of the Commissioner of Official Languages, there was a condemnation of the government for its failure to act. This matter was a principal issue at a hearing by the Joint Senate-House Committee on Official Languages.

Mr. Fortier of Alliance Quebec, the *Fédération des francophones hors Québec* and even APEC, the Alliance for the Preservation of English in Canada, participated. *Toute la gang* was there.

Last week, Mr. d'Iberville Fortier, the Commissioner of Official Languages, issued a special report into the government's failure to enforce the Official Languages Act, 1988. He said in part: "If we want to make our country go on, the least we can do is make sure acts of Parliament are respected. Two years later this act still does not have teeth. These delays may well endanger the linguistic progress made in federal institutions over the years".

We may go backward as a result of not having these regulations. Mr. Fortier justified this extraordinary action, because it is, by noting that if the regulations were not tabled soon, providing 30 working days for Parliament to study them, they cannot be published—and the

member should listen to this—in *The Canada Gazette*. If the House prorogues, as this House might, we will have even further delays.

It is therefore fortunate that this motion has come forward for debate at this time. I congratulate the hon. member for Ottawa—Vanier for bringing it here.

I will not debate the substance of Bill C–72 or why the regulations are needed. I think the heart of the matter is why the government is not delivering here. What is, as Mr. Justice Oliver Wendell Holmes once called it, the inarticulated major premise? In other words, what is stopping the government? None of this gobbledegook that the member across gave. What is the real reason? This legislation has faced strong opposition from a number of groups who have never accepted the need and support for official language minorities, and have never accepted a bilingual Canada.

I think both these groups are represented within the Conservative caucus; nationalists from Quebec, and what my friend called dinosaurs from English Canada. It seems to me that the Prime Minister is afraid to take on these groups in the name of a higher cause, namely the unity of Canada.

I will give you an example of where the government is going. Tomorrow we are going to debate a bill on broadcasting. The government has withdrawn a clause which states that the CBC has to promote national unity, because national unity is a dirty word now for this government. I ask, where is the vision in this country of Henri Bourassa or Sir Wilfrid Laurier, who believed in a society of tolerance and believed in bilingualism from coast to coast where people at least had a right to be served and communicate with their government in their own language. That is all that the official languages does. It implements that vision, which is limited if anything.

I do not understand why the government is not bringing this in.

[*Translation*]

Mr. Speaker, this year we celebrate the 25th anniversary of the Royal Commission on Bilingualism and Biculturalism. The vision expressed in this report's recommendations have had a tremendous impact on the history of this country. The central recommendations of the report, the principle that official languages minorities in Canada should be assured to get public services in their mother language, the idea that French as much as English should be a working language in Canada, were reflected in the Official Languages Act of 1969. The Canadian Charter of Rights and Freedoms is in the legislation in question today.

[*English*]

The government is celebrating the twenty–fifth anniversary of the Laurendeau–Dunton report on bilingualism by taking a step backward. The Prime Minister said these regulations will be tabled at the most precipitous moment. For whom? When? It seems to me that there is a clear lack of leadership here.

Let me conclude by saying this. The government is endangering the whole policy of official bilingualism. The government is leading to more intolerance. It is growing in Canada on the part of the English and French and on the part of extreme groups like the Bloc Quebecois on one side and the Reform Party on the other. Who speaks for Canada? We need vision in the leadership of this country. Sometimes it is tough. Sometimes you have to face down the bigots. It is not easy to say that to some people in Canada. We want these regulations. We want them now.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, it is with great interest, as co–chairman of the Joint Committee on Official Languages, that I participate in today's debate. I would like to take this opportunity to mention the names of my collegues who talked sooner today, that is the members for Ottawa—Vanier, Notre–Dame–de–Grâce and Lachine—Lac–Saint–Louis, because they are people with whom we work regularly in committee and who really strive to protect the interests of the French and English minorities in Canada. I believe we must recognize the good work done by my collegues on the committee.

The member for Ottawa—Vanier gives us the opportunity with the motion he presents today and which says: "That, in the opinion of this House, the government should table as quickly as possible the regulations made under the Official Languages Act passed by the House of Commons on July 28, 1988 and promulgated on Septem-

ber 15, 1988", to show how this government has fullfilled its obligations regarding official languages in this country.

Having been a member of the Joint Committee on Official Languages, the member for Ottawa—Vanier knows full well that these last few years, since 1986 or 1987, it is the minority groups who complain during the committee hearings that the law had become ineffective. It is a law on official languages, one must recognize, which was adopted in 1969 by the then liberal government, and which, over the years, has become ineffective.

I have a question for the member for Ottawa—Vanier, who strives so much to protect the interests of the French and English minorities in Canada.

• (1750)

For 15 years, he witnessed the ineffectiveness and the degradation of the Official Languages Act. Why did he not ask his government at that time to bring in regulations to give teeth to the legislation? No, Mr. Speaker, Canadians had to wait until 1984 when the Progressive Conservative government was elected. We promised major changes and reform of the Official Languages Act and we delivered. The Act was amended with the support of all parties in the House and with the support of all groups of society. The new act that our government put in place in 1988 was hailed by both the English and French media and by everyone else.

This means, Mr. Speaker, that when you talk about something, you have to put it in the right historical perspective. For 15 years, our linguistic minorities had to live under an act which had major flaws and shortcomings that we spent sitting after sitting denouncing at the Official Languages Committee. We acted and, as a result, we have an effective legislation. It is important to note, Mr. Speaker, that the absence of regulations does not preclude the application of the Act. This Act is in effect since September 1988.

Every French-speaking citizen living within an English-speaking majority and every English-speaking Canadian living in a majority French-speaking community is entitled to be tried and to work in the language of his or her choice. Minorities have the right to equitable participation at work and have rights before the courts that they did not enjoy under the previous legislation, Mr. Speaker. At the present time, any citizen, with the help of the Commissioner of Official Languages, can lay charges against any federal institution or any organization that does not comply with the Act. Those are some of the positive aspects we included in the new legislation.

To get back to the motion of the hon. member for Ottawa—Vanier, on June 14, as Joint Chairman of the Joint Committee of the House and the Senate, I tabled, and I will read it to you, a report by our committee asking the government to produce its regulations as soon as possible, Mr. Speaker, and I may point out that according to Standing Order 109, the government has 150 days to do so. As the hon. member for Ottawa—Vanier mentioned, this period ends on November 11, and since November 11 is a holiday, as the House is aware, it means that the actual deadline is November 9. Personally, I am convinced the new President of the Treasury Board will table his response to our report by November 9, and that this response will involve the tabling, very shortly, of those long-awaited regulations.

I think the hon. member for Ottawa—Vanier mentioned that he respected and trusted the new President of the Treasury Board. Mr. Speaker, you realize he was sworn in on September 20, 1990, barely a month ago. When we consider the importance of his department, of the position of the President of the Treasury Board who has to look after the Public Service and all the departments in terms of their budgets and human resources, and when we consider that the new President has already given the new regulations some thought, I think this shows he is genuinely committed to going ahead with the regulations. Opposition members would probably have liked the President of the Treasury Board to hastily table regulations totally unknown to him as soon as he was sworn in. regulations totally unknown to him. Those who know the hon. member from Quebec City see him as a reasonable and responsible man who wants to have a thorough knowledge of the issues before he makes a decision. Is it to much to ask to give him a month to study the regulations we are about to table? I do not think so. In due time, the President of the Treasury Board will make his position known and I am sure it will be along the lines of the commitments made by the Prime Minister and our members to our official language minorities.

Mr. Speaker, 150 days may seem like a long time. Our report was tabled on June 14, and the government has 150 days or about five months to answer. Let us have a look at what happened since then. Our report was tabled on June 14. Two weeks after that, the House adjourned for the whole summer. We returned on September 24. We have been here for a little more than a month, Mr. Speaker. So chronologically, I think the two-year delay that has been mentioned can be explained easily in the light of what I have just said. Two years may seem like a rather long time, but above all it proves one thing, that there has been consultation, as the hon. member for Ottawa—Vanier said, even too much of it, but the fact we consult the population when we legislate has been one of the characteristics of this government.

Contrary to what Liberals did for a long time, we do not practise a policy of confrontation with the provinces and the Canadian society. We practise a policy of consultation and dialogue. Maybe we are making too many consultations, it is possible, but it is better to consult wisely in order to bring forth a beautiful baby, Mr. Speaker, a good regulation which will be long lasting and will satisfy the different official language minority groups in the country.

Mr. Speaker, I could speak at length of the consultation process, I could mention all the organizations—There are thirty-six associations for official language minorities in the country. They have all been consulted, and not only once, but twice, Mr. Speaker. The first time was during the 1989 summer, when the Office and Treasury Board officials drafted the first bill. We were determined to consult every one of these organizations across the country, to know for sure what they really wanted. Then, we took note of their demands and we went back to see them, Mr. Speaker.

Therefore, this shows how concerned and how serious the government has been about these regulations. Mr. Speaker, I see you are trying to tell me that my time has expired. I just want to say that I am convinced that the President of the Treasury Board will follow up on that demand in accordance with our committee's report and that we will soon have good and lasting regulations which will meet the needs and expectations of the minority groups in this country.

[*English*]

The Acting Speaker (Mr. DeBlois): The hon. member for Halifax West. You have two minutes.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, that is time enough to make a few points on behalf of the President of the Treasury Board who is the minister responsible for the implementation of the Official Languages Act.

First, let me confirm the support of the Government of Canada, particularly the Prime Minister, to the policy of official languages in Canada. It was the government of the Prime Minister that brought in the Official Languages Act and improved the language law in Canada in 1988.

That is not all. As late as February of this year, 1990, the Prime Minister rose in this House and proposed a motion that this House reaffirm its commitment to support, protect and promote linguistic duality in Canada as reflected by this House in the Constitution amendment and the Official Languages Act of 1988.

There is no wavering in the concern and in the support for official languages policy from the Prime Minister or the Government of Canada.

I want to point out to members of the House some matters that transpired in this debate. We heard the member for Port Moody—Coquitlam and the member for Notre-Dame-de-Grâce talk about the turmoil in Canada over language and other constitutional matters.

In the midst of that turmoil do members want to create more havoc by creating more uncertainty and difficulty? The prudent course is the slow course: the course by which we examine carefully the language proposals; by which we make sure there is consensus across Canada to those proposals. That is what the minister is doing.

I remind the very members who spoke in this debate that they approved the complex procedure under the Official Languages Act that is required to be followed so that there will be consensus to the ultimate regulations. That is why we have consultations. That is why we have a specified period for examination and re-examination in the House of Commons.

All members supported that process, and now they cannot deny the results of it. The President of the Treasury Board, the Government of Canada, will proceed with the implementation of the regulations. And the regulations will be acceptable to the great majority of people in Canada.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of private members' business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), this item is dropped from the *Order Paper*.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GUN CONTROL

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, on April 3, 1990, I rose in the House to ask a question of the Minister of Justice regarding gun control legislation in Canada.

When I rose in the House in April to address the urgency of gun legislation, the country was reeling in the aftershocks of the massacre at the École Polytechnique in Montreal. Concerned Canadians were shocked and horrified by the senseless murder of young women by a man who should have been denied access to a firearm. Canadians across the country then turned their outrage and sorrow to action. On April 9, 1990, a petition bearing the names of over 500,000 Canadians was presented to Justice Minister Kim Campbell. The message was clear. Canadians want tougher gun control legislation.

On June 26, 1990, the Minister of Justice introduced a comprehensive package to strengthen the control of guns in Canada. The proposals provide a minimum waiting period for a FAC, a provision for two references who have known the applicant for at least three years, national firearms safety training courses, mandatory testing for would-be gun owners, and the establishment of a Canadian Advisory Council on Firearms.

The need for a balanced approach when dealing with the issue of gun control is essential. I want to make it clear that members of gun clubs are, for example, not the problem. I visited the Sharon Gun Club last fall and I was very impressed with their safety regulations. I do not want those good law-abiding citizens unduly harmed or inhibited by any gun control legislation.

For example, the proposal to limit the magazine or clip size to 5 and 10 for certain firearms is totally impractical. While it is important to recognize the rights of the responsible and legitimate firearm owner, legislation must deal harshly with criminals, gun dealers, and others, using or trading illegal or unauthorized firearms.

Stiffer sentencing, one of the important parts of the new proposed legislation, is essential to protect the public from attacks and murder by criminals. We should also consider additional years in jail if a firearm was used in a criminal act.

Since 1978 when tighter gun control legislation was introduced, the number of robberies, homicides, accidental deaths, and suicides involving guns have all decreased. There are about 1,400 firearm deaths each year. However, almost 85 per cent of these deaths were suicides. Homicides totalled approximately 180 deaths.

While these numbers tell us violent crimes involving firearms are decreasing, crimes still occur that could be prevented through tougher legislation. A case which I believe demonstrates the urgent need for tighter gun control laws is the attempted deportation of Robert Cave.

Robert Cave was sentenced to seven years in prison for several armed robberies in 1981, including the brutal and threatening attack of a 21-year old woman who was managing the McDonald's restaurant he robbed. This woman was terrorized by Cave who at the time was high on drugs. He shoved the nozzle of his pistol up her nose as well as using other threatening gestures. Robert Cave was given only two years for the use of a firearm in the commission of the robbery, in spite of his past criminal record and the obvious brutal way in which he used the weapon.

Those convicted of an offence involving firearms should pay through hard time. We must make the country safe for all abiding and upstanding citizens. More care and compassion must be directed to the victims of violence.

There is another aspect of our justice system which must be changed in order to better protect our citizens. I am referring to our extradition laws.

Charles Ng fled the United States five years ago to escape prosecution and still remains in Canada. Charles Ng, a former U.S. Marine, was charged in California with the sex slayings of 13 people, allegedly committed between 1984 and 1985. In 1985, following a month-long international man-hunt, Ng was apprehended in Calgary after a bungled shoplifting attempt. Five years have past since his arrest in Alberta and Ng still remains in Canada fighting an extradition order thereby escaping prosecution in California.

I think it is possible that Canada could become a haven for criminals such as Ng, criminals who, facing the prospect of a death penalty, flee to Canada to escape prosecution. Because of Canada's close proximity to the U.S. and its long, continuous border affording many opportunities to flee, this notion is quite real.

• (1805)

We must not only toughen gun legislation but all legislation dealing with criminal justice. It is absurd to think that people such as Cave and Ng have more judicial options and opportunities available than does a Canadian citizen who is accused of committing a crime. Let us stand up for the right of all Canadians to live in a nation which provides them a sense of security and well-being. Our laws must provide more protection for society and a greater sensitivity to the victims of violence and their families.

In closing, I want to say that I held a town hall meeting in Stouffville last Saturday morning, October 27, 1990, to hear the views of the residents of my riding regarding the proposals to strengthen gun control in Canada. There were almost 40 people in attendance. I was assisted by three panellists: Norm Gardner, Vice-Chairman of the Metropolitan Police Commission; David Brown, a former police officer and a sports shooter; and Morton Greenglass, a lawyer and legal expert on gun control and a sports shooter as well. A number of good constructive recommendations were proposed, and I will be presenting many of these to the Minister of Justice.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, since I only have three minutes available to me, I will address the member's first concern, which is that of gun control.

I would like to say that the Minister of Justice shares the concerns of the hon. member. She is certainly aware of the strong desire among members of this House and the Canadian public for effective gun controls.

Gun control is a very complex issue. Many of our northern and aboriginal citizens, for instance, require firearms for their livelihood. We must try to balance the concerns of all Canadians about public safety with the legitimate interests of the responsible law abiding firearms community.

It should be pointed out that Canada already has one of the best gun control systems in the world. It has also been pointed out that more can be done.

It has been demonstrated that some types of firearms, those of a military nature, have become a problem since the law was last amended.

Bill C-80 represents a considered response to these concerns that will help assure the safety of the Canadian public with the least possible interference in the interests of legitimate and responsible gun owners.

The previous Minister of Justice, who is now Minister of Transport, had the benefit of extensive consultations with the provinces and many firearms interest groups during the summer of 1989. The present Minister of Justice intends to pursue the consultation process as the bill proceeds through Parliament. In particular, the Canadian Advisory Council on Firearms is being set up to give members of the firearms community and other interested parties access to the consultation process.

The intent of the amendment proposals is to address a number of concerns that have arisen since the law was last amended in 1978. Some of these have to do with the screening of applicants for firearms acquisition certificates and other documents.

It should be kept in mind that some types of firearms present a risk because they have a design or firepower that cannot be justified with any legitimate or socially useful purpose in mind.

Our problem is to make a distinction between those firearms that have a legitimate sporting and hunting purpose and those that do not. This is what Bill C–80 attempts to address.

I can tell the hon. member that the consultation process that was begun by the prior Minister of Justice will continue. I am looking forward to this piece of legislation getting into committee so that we can hear some other concerns of Canadians who have taken an interest in this area.

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to give a little further information and perhaps a little more in–depth questioning on a question that I asked in this place on October 2.

I asked two questions. I am not sure to which one the parliamentary secretary will be responding this evening, but I am going to address both those questions because that is what I put in for.

The question I raised that day dealt with the advance collection of the goods and services tax. The particular case in point was a lady in Halifax County who had prepaid a ticket to Florida, and the travel was to take place in April of next year. She was absolutely astounded when Air Canada called her back and indicated that she not only had to pay in advance of the ticket, which she fully expected, but she also had to pay in advance the 7 per cent goods and service tax. That lady was incensed, as she should have been. She called my office, she went to the media and she said: "This act is not yet law and not only is it not yet law, and the government and the bureaucrats will come up and tell me reasons why they can still collect it, but my goodness, it is facing the fight of its life in the Senate of Canada". Eight–five per cent of Canadians have consistently been opposed to this form of taxation. Surely to goodness the government is not going to tell consumers across this country that they have a legal obligation to pay that 7 per cent goods and services tax in advance of January 1 or whenever that act becomes law. Hopefully it never becomes law.

• (1810)

I asked the Minister of National Revenue if he would give us an unequivocal statement, to stop trying to dance around the issue, on whether or not he had instructed businesses across Canada that they had no legal obligation to demand from a consumer that tax be paid in advance of January 1.

With the glibness and smugness of this Minister of National Revenue, he got up and said: "No, I won't because I have done that on August 9". If he did it on August 9, he certainly should have done it again the day I asked because in the next few days the media was full of reports of outraged consumers from coast to coast in this country who had been told by this government that they had to pay the 7 per cent goods and services tax in advance. The minister likes to have it both ways.

This government has spent over $30 million. It is a lot of money, hard–earned money that has been taken from the taxpayers of this country, $30 million to put out propaganda, some of which has been found to be false and misleading by the Advertising Standards Council of Ontario dealing with this proposed, wonderful great thing that the government is trying to foist upon the Canadian public called the goods and services tax.

Instead of doing his job, the Minister of National Revenue refused in his next propaganda mail–out to big, medium and small business in Canada to tell those businesses that they had no legal right to collect in advance the goods and services tax. He did not want to come forward and do what he should have done under the law and tell those businesses that they had no right.

My second question that day was to the minister who was supposedly responsible for consumer interests, the Minister of Consumer and Corporate Affairs. I said: "My goodness, are you going to do the right thing? Are you going to do what your job is and protect the interest of consumers and ensure that they know that they have no legal obligation to pay in advance the 7 per cent goods and services tax?" He was mute. He was silent. He was in the House that day but he was mute and he allowed it to go back over to the Minister of National Revenue.

I am going to tell you, Mr. Speaker, it will be a sorry day for consumers in this country when it is the Minister of National Revenue who is looking after the interest of

consumers. It is supposed to be the Minister of Consumer and Corporate Affairs, but, again, that minister did not do his job, not just for the lady in question in Halifax county who found it repugnant that she was being forced to pay a 7 per cent goods and services tax on the advance purchase of airline tickets, but for every consumer in this country.

I asked that day in my supplementary question to the Minister of Consumer and Corporate Affairs how he could in all good conscience have sat at the cabinet table and allowed the government, the cabinet of the day to approve expenditures, a multi-million dollar series of expenditures to put out propaganda to the Canadian public, to the consumers of Canada which he knew to be false and misleading. If he did not know at the time, he should have listened to the Advertising Standards Council this summer when it said that the radio ads that were paid for, not by members of the government, anybody out there who is watching, but by your tax dollars. The government was trying to fool Canadian people and do it with their own money, for goodness sakes.

I asked the Minister of Consumer and Corporate Affairs that day whether he was prepared to do the right thing and dissociate himself from the propaganda campaign of this government. As I said, he remained mute.

The Canadian public has not decided that they are going to lay down and die on the goods and services tax. The latest poll that is out, it was just one poll. I guess I could not quote it with a great deal of authority, but it is one of a series of polls that have been done since this government embarked on that dangerous path for Torydom called the goods and services tax. Every single poll that has been taken regionally or nationally shows that this government is out to lunch in its pursuit of the GST. Maybe if the government was supported by 51 per cent of Canadians, but 85 per cent did not like the tax, you might say, "Well, maybe it is a passing fancy".

• (1815)

The numbers speak for themselves. Seventy-five per cent of Canadians in the last poll that was done said that they were absolutely, fundamentally opposed to this regressive, crazy, insane tax, called the GST, particularly at a point in time when this government's policies have driven the economy of the country into recession.

The only lower approval rating for any issue that was in the poll was for the popularity of this government. Only 15 per cent of the respondents said that they supported this band of rascals opposite in their pursuit of fiscal and social policy.

It becomes clear that this government has lost the moral authority to pursue policies that are not supported by the majority of Canadians. I would hope that I am going to get a better answer tonight from the parliamentary secretary, as he licks his lips waiting to get up and give us the answer.

I want to know from the parliamentary secretary why is it that the Minister of Consumer and Corporate Affairs did not look after the interests of consumers? Second, why is it that the minister responsible for Revenue Canada, since he is sending all kinds of propaganda out saying what a great tax this bad tax is, did not tell the businesses of Canada that they did not have a legal obligation nor a right to collect this tax. Why, if it was so complicated, did the government not forego that little bit of tax that would have been paid in advance for the first two or three months of next year and protect the interests of the consumer, and, for once, protect the interests of Parliament and the parliamentary process?

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I will answer on behalf of the Minister of Revenue but not on behalf of the Minister of Consumers and Corporate Affairs.

I would now like to give a more detailed answer to the questions asked by the hon. members for Dartmouth and Scarborough West about the requirements under the proposed GST that apply to businesses getting paid after August 1990 for goods and services to be received after December 1990.

[*English*]

Let me first say that, in advance of Bill C-62 receiving Royal Assent, collection of the GST for transactions straddling the transition date is strictly voluntary and is suggested as a matter of convenience for the consumers

and the businesses involved. In fact, under the legislation, the vendor will not be required to remit any GST collected until the first GST return for 1991 is due.

[*Translation*]

On August 9, 1990, the Minister issued a press release to remind businesses of the interim provisions of Bill C-62. This release stated that businesses supplying goods and services to be delivered after 1990 will be accountable, effective January 1, 1991, for the proposed 7 per cent GST on advance payments made between September 1, 1990 and January 1, 1991.

Even though the Minister was urging businesses to follow the interim regulations contained in the proposed legislation, he clearly stated that, in these cases, collecting the GST on the 1991 part of the contract was not yet mandatory.

[*English*]

The decision on whether to charge or pay GST on invoices issued on or after September 1, 1990, for goods or services to be delivered after 1990 is a matter for vendors and their customers to decide. However, I can appreciate that in many instances this would be the most convenient and least costly approach to take.

[*Translation*]

To conclude, Mr. Speaker, the government is continuing to emphasize that there is no legislative authority to enforce collection of the GST until the legislation is effective. At the same time, we will continue to encourage businesses to be prepared to account for the tax due on prepaid supplies.

If I have 10 seconds left, Mr. Speaker—

[*English*]

I will repeat the last paragraph in English for my colleague.

To conclude, Mr. Speaker, the government is continuing to emphasize that there is no legislative authority to enforce collection of the GST until the legislation is effective. At the same time, we will continue to encourage businesses to be prepared to account for the tax due on prepaid supplies. Mr. Speaker, I hope that answers my friend's questions.

• (1820)

IMMIGRATION

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, on October 17, I pointed out to the Minister of Employment and Immigration that refugee claimants in Canada, who have already been hurt by their experiences that caused them to seek refuge in Canada, were studied in a survey by a team of church people, under the direction of psychiatrists, and 58 per cent were found to be in deteriorating mental health. Their mental health was worse since they came to Canada than it was when they arrived.

Why? One of the reasons is the difficulty in getting jobs. They cannot get a work permit until the first hearing, which is often delayed. Even then, it is often a limited work permit and, even then, employers say: "Well, we do not know if you are permanent here because you have not had your second hearing". There is anxiety about their futures and, worst of all, there is separation from their families. Usually husbands and fathers here are separated from their wives and children overseas.

One man came to my office two weeks ago who had been here six years. His wife died overseas, while waiting for him to bring her here. His children wrote to him and said: "You have killed our mother, now you are going to kill us. Why will you not bring us"? There is nothing he can do. This government will not let him have his case decided, and will not let him bring his family here until his case is decided. Even after his case is decided, he must wait a year for landing and then wait some time after that for the processes of immigration.

I asked the minister what steps were being taken to end this torture, this misery. All she could say was that 50 per cent of the cases have been opened in the refugee backlog. After 21 months, since the program was announced, 50 per cent have been opened. Not 50 per cent resolved, 50 per cent opened. She did not give us any indication whether they will really be able to finish it on time, a year from now, as they promised.

I asked her for an amnesty. I have never asked that of the minister before but, because of this terrible situation, I asked her to land all the people in the backlog so long as they meet the health and security standards which are required by the legislation.

There are many, many of those people who are skilled, many of them who have one of our official languages, and they are able to settle readily. Whether we consider that they were cheaters or whether we consider they were real refugees, it is time to stop torturing them and it is time to stop breaking down the immigration system by pouring staff into that useless project. Expensive staff, adjudicators, translators, lawyers, and so on are having

their time wasted while the minister pursues that project.

The Canadian Council of Churches presented this matter in a brief to the United Nations Human Rights Committee, under article 40 of the Covenant on Civil and Political Rights. It was reported today in *The Globe and Mail* that the UN committee was very concerned about what Canada was doing. The council pointed out to them that Canada is now giving priority to processing claims of English-speaking applicants from the Caribbean, forcing many applicants from other countries of severe persecution to wait years before their claims are handled, and they can attempt to bring over family members.

The UN committee expressed, and I quote, "grave concerns about Canada taking people out of order, by virtue of language, and processing their applications first". An expert Toronto lawyer, Ms. Jackman said, and I quote:

> —a study by the inter-church committee shows that "people become suicidal" when they are in limbo for five or six years without a determination on the outcome of their refugee application.

The brief proceeded under four articles of this covenant. One is there should be "no cruel or inhumane treatment" and "committee members suggested that these long delays to people who had already suffered trauma could be a form of cruel treatment". That is article 7. Under article 14 of the covenant, everyone shall have a "fair trial, committee members expressed concern that delays were not consistent with a fair trial and questioned the independence of the Immigration and Refugee Board".

• (1825)

Under article 23, protection of the family, "committee members were concerned about delays in reuniting families". Under Article 26, against discrimination, the committee members asked questions which "left no doubt that singling out English speaking Caribbean claimants was to be viewed as discrimination".

Today, the minister denied that that is being done, but I have spoken to many people in Toronto and I find that church representatives and lawyers in private practice—this government usually likes private practice rather than government. It wants to privatize everything but it attacks the lawyers in private practice if they do not kowtow to the government.—are finding that their clients are having their cases set back if they are not from the Caribbean in order to move Caribbean cases ahead.

It is also being observed that most of those who are currently being processed are black. I ask: What is the government trying to do? Is it trying to juggle its statistics, that is, rush through these hearings and a lot of deportations? Or, is it trying to punish people who it considers cheaters *en masse* because of their country of origin? In so doing, it hurts real refugees whom it claims to be trying to protect. It also delays Canadians who want to sponsor their families into Canada but are delayed because the experienced immigration officers are stuck working on the backlog.

I ask that the minister consider an amnesty.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to expand on the reply given by the hon. Minister of Employment and Immigration to the hon. member for Trinity—Spadina on October 17 of this year.

The minister rejects the notion that this process is torturing refugee claimants. Refugee claimants in Canada enjoy the protection of Canada while their claims are being determined. In fact, as Gordon Fairweather, the Chairman of the Immigration and Refugee Board has pointed out, a United Nations high commissioner for refugees has said that within the Canadian refugee determination system there may be a model for the world.

The Minister of Employment and Immigration understands the concerns of backlog claimants who are waiting for decisions. That is why steps have been taken to make that wait a productive one for claimants. Backlog claimants have had permission to work since January 12, 1989. They and their families have access to Canadian schools and social programs.

The Minister of Employment and Immigration also understands the concerns of backlog claimants who are separated from their families. That is why measures have been put in place to bring to Canada on a priority basis the dependants of backlog claimants who are facing life threatening situations or who are abused or abandoned children. In addition, as soon as a claimant has been provisionally approved for landing, the appropriate visa office is requested to initiate processing of the dependants the claimant intends to sponsor. This reduces the time required to bring those dependants to Canada.

In addition, those claimants who know that their claims are unfounded may choose to leave voluntarily with letters of introduction to visa officials abroad. They are guaranteed an interview with Canadian officials. Their Canadian experience will be favourably considered during this interview.

When the backlog clearance program was announced on December 28, 1988, it was made clear that all claimants would be treated fairly, humanely, and on the basis of their claims to convention refugee status. The option of an amnesty was considered and rejected. In its report of the backlog clearance which was tabled in December 1989, the Standing Committee on Labour, Employment and Immigration supported this decision. An amnesty would be unfair to potential immigrants and to their relatives in Canada who have followed the lawful process for immigration.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, October 31, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ISRAEL

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I agree with the criticism of the Israeli police by the recent commission of inquiry into the tragic events in Old Jerusalem.

Israeli security forces should not have trusted Islamic religious authorities who were notified that a fringe Jewish group would not be allowed to enter Temple Mount. Muslims proceeded to defile this holy site with an illegal, planned attack on Jewish worshippers. Rioters were incited over loudspeakers to slaughter the Jews.

Israeli police showed great restraint in not using live ammunition against the stone throwers as they attacked police and then thousands of praying Jews at the Western Wall. The police officers who had been forced to retreat re-entered the Temple Mount to rescue officers and to prevent the thousands of rioters from seizing weapons and ammunition in the police station. Only then did they use live ammunition in life threatening situations.

When will Palestinians and Muslim extremists learn that Israelis will never agree to their self-determination if they cannot be trusted to respect the basic human rights of others? When will the world learn that sanctioning attacks on innocent victims leads to further violence, not peace?

* * *

TRANSPORTATION

Mr. George Proud (Hillsborough): Mr. Speaker, Transport Canada's decision to implement a cost-recovery program for air services in April, 1991 can only hurt airports and air services in Atlantic Canada and further alienate Atlantic Canadians.

Higher fees on airport operations will raise air service costs beyond the point which is affordable by the vast majority of Atlantic Canadians, or even shut down smaller operations altogether.

The government again has abandoned Atlantic Canada with its virtual withdrawal of passenger rail services from the region, the steadily deteriorating condition of the Trans-Canada Highway, and the rising costs for users of Marine Atlantic ferries, ports, and harbours.

Prince Edward Island spends more per capita on transportation than any other province. We spend 4 per cent of our gross domestic product on this sector, while having the lowest GDP in Canada. Higher air service costs could cripple an already vulnerable transportation system in P.E.I. and in the rest of Atlantic Canada.

* * *

UNEMPLOYMENT INSURANCE

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, when the labour dispute between the United Steelworkers of America and Stelco and Algoma Steel Corporation does finally come to an end, and if we are to believe the assertions of the corporations and the predictions of steel analysts, fewer than 80 per cent of the steelworkers will be called back to work. This figure has been used as a precedence based on an arbitrary figure which signals the end of a labour dispute, the workers eligible for UI benefits after that.

We ask the minister to utilize the flexibility given her to reduce the 80 per cent figure to 30, 40 or whatever

percentage is appropriate so those people who have been without any money for 12 weeks and counting will become eligible without any long bureaucratic delay. We ask the minister to demonstrate compassion and exercise authority to reassure these 16,000 steelworkers that indeed they will immediately be eligible for benefits if not recalled to work.

* * *

HOCKEY

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, in little over a month, the NHL board of governors will be granting new hockey franchises to the league. Two Canadian applications are up for consideration: Hamilton and our own capital, Ottawa.

Given the spirit of fair competition it appears obvious to me that we in Canada should be first in line for a team. We have the money, the talent, the heritage, and the know-how. Hockey is our home game.

As our present Governor General said in the Chamber in 1983, "The National Hockey League is a type of public trust. More than that, hockey is central to the Canadian identity."

In addition, hockey has become big business on the international stage. We must not allow a group of backroom boys to dilute our leadership in this game by granting franchises to interests whose only familiarity with ice is in their whisky.

I call upon all members of Parliament to rally their constituents by circulating a petition in support of the two Canadian bids. Copies are available in my office.

And, finally, to the NHL board of directors I say: when Canada plays hockey, hockey wins.

* * *

UNITED NATIONS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, last week the United Nations celebrated its 45th year of dedication to world peace and international good order. It is with gratitude that we note that the United Nations has probably never been closer to achieving its original mandate than during the last few months of the Gulf crisis.

However, despite the UN solidarity on the Middle East to date, there is growing concern that the agenda being followed by Canada and others is that of the United States, not the UN. One questions whether or not the U.S. is using the UN for its own, and not the international, good. Have we been led to UN commitments which entrap us into following from here on a U.S. agenda?

The UN is currently owed $600 million in late support payments from 17 countries world-wide. Of this, $482 million is back debt owed from the United States. Actions speak louder than words. What is the U.S. commitment to the UN? The government must insist that the U.S. prove its commitment to the UN and what it stands for by paying its debt to the UN.

* * *

[*Translation*]

METROPOLITAN QUEBEC CITY CHAMBER OF COMMERCE AND INDUSTRY

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, the Metropolitan Quebec City Chamber of Commerce and Industry, one of the most dynamic chambers I know, is offering, through its international trade committee, an intensive course on how to export know-how.

The course, to be given on November 8, 9, 14, 15 and 16 by Mr. Pierre Lacroix, president of Roche International, is intended to help certain businesses be better prepared when they enter the export market, and to help other businesses take advantage of knowledge acquired in the field.

Mr. Speaker, I believe this initiative deserves our attention and should be supported by entrepreneurs who, after all, will be the ultimate beneficiaries.

* * *

THE LEADER OF THE LIBERAL PARTY

Mr. Clément Couture (Saint-Jean): Mr. Speaker, many of my constituents agree with the Prime Minister, who says Jean Chrétien is a man who keeps changing his mind. Mr. Speaker, I think they are right.

Two days ago, Mr. Chrétien announced he would scrap the GST if his party formed the next government. A few weeks ago, however, Mr. Chrétien admitted it would be irresponsible to get rid of the GST without proposing a new tax formula. It didn't take long for him to change his mind.

On the constitutional issue, a few months ago Jean Chrétien favoured a strong central government. Today, he talks about changing the powers given to the provinces.

Mr. Speaker, Jean Chrétien keeps changing his mind, fails to provide leadership and has no vision for the future of this country.

* * *

[*English*]

IMMIGRATION

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, there is presently in Ontario alone a backlog of 44,220 English-speaking refugees waiting to be processed.

The Auditor General's report states: "The system was extremely prone to large-scale abuses and became overloaded by a growing number of claims that compounded existing delays." It continues: "Changes had either not been implemented or were not operating as intended."

We have reached this point. The Toronto office alone is facing 22,000 cases. It will be able to handle only 7,000 cases within the next year. In an attempt to deal with this, present policy dictates that only English-speaking refugee cases be processed.

The Auditor General clearly states: "The backlog clearance program will cost more than estimated."

Clearly, this is a complete failure. I ask the minister when will she act responsibly and announce immediate measures to solve this inhumane and unacceptable situation.

* * *

[*Translation*]

DEVELOPMENT STRATEGY

Mr. Jacques Vien (Laurentides): Mr. Speaker, recently, I attended a press conference to draw the attention of the public to the important work being done in my riding. I am referring to the development strategy submitted by the Laurentides community development assistance board.

This tool will have a positive impact on the entire region. The development strategy will help members of our community make wise choices and concentrate on priority projects. The strategy is the result of effective regional consultation, reflecting the enthusiasm and energy of our community.

The Laurentides community development assistance board is to be commended for a job well done, and I urge residents to take part in these consultation exercises so that we can achieve balanced development in our community.

• (1410)

[*English*]

CORPORATE TAXATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, according to the Auditor General's report released yesterday, we have a lot of tax evaders that cost the country $10 billion a year. Mr. Dye is quoted as saying: "These cheaters are really hosing the honest person."

Well, Mr. Speaker, I would like to present to you a list of some real hosers in our corporate welfare bum of the week award.

They are: Wellwood of Canada, with a profit of $110 million in 1989 and a $2.8 million tax credit, and no taxes paid.

Some hon. members: Shame.

Mr. Rodriguez: Sovereign Life Insurance, with $6.5 million in profits in 1989 and a half million dollar tax credit, and no taxes paid.

Some hon. members: Shame.

Mr. Rodriguez: And, CP Hotels with $46.9 million in profit in 1989 and a $2.1 million tax credit, and no taxes paid.

Some hon. members: Shame.

Mr. Rodriguez: The winner is: CP Hotels. This corporation did not pay any taxes in 1989 and still received over $2 million in government hand-outs.

Congratulations to all our contestants for showing us how to avoid paying taxes by using the loopholes that are already in existence.

Some hon. members: Hear, hear.

* * *

ACID RAIN

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, Canada and the United States are closer than ever to initiating a major commitment to curb acid rain. The American commitment to curb acid rain is only a president's signature away. Did the ranting and raving of

the New Democratic Party have any effect on persuading the American government? Of course not.

Statements in the U.S. Congress say it all. Congressman Boehlert says this:

> There are a lot of heroes today. President Bush has been mentioned in very favorable terms, and rightly so—
>
> I say that as a Republican who, quite frankly, admitted disappointment in the previous administration. But George Bush is an environmental President. He put this matter at the top of his agenda, and he provided leadership.
>
> But he did not do it alone. He did it with the Democrats and Republicans.

There is another person who deserves mention. Another person whose—

—name has not been mentioned on this floor today. His name is Brian Mulroney, the Prime Minister of Canada.

Ladies and gentlemen, the Prime Minister of Canada showed the United States the leadership it deserved.

Some hon. members: Hear, hear.

* * *

DAVID IRVING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in a few days a man whose views are despicable will be allowed to use a publicly-funded facility here in Ottawa to promote racial intolerance.

On November 5, 1990 in the capital of Canada, this man will spout his lies on how the holocaust, according to him, was exaggerated and how six million Jews did not die in the gas chambers of the concentration camps.

My colleagues and I find this very distasteful that the Ottawa Congress Centre would be the venue of this presentation. We urge the Board of Directors of the Ottawa Congress Centre to cancel the engagement in question and to review the leasing conditions to prevent the facility being used for such intolerance and racism in the future.

Canada is a tolerant country. It is a land rich in ethnic diversity and respect among people. There is no room for racism here. I call upon the Congress Centre to cancel the Irving engagement. Better yet, I ask David Irving to leave. He is clearly not wanted in our country.

Some hon. members: Hear, hear.

* * *

TRANSPORTATION

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, one of the most important issues facing Canada today, particularly the Atlantic region, is passenger transportation. The royal commission which is now underway will have a great bearing on the future for travel within our great country.

Because transportation pressures are mounting in all directions, it becomes essential for the commission to work with a sense of urgency and to make its recommendations as early as possible. In the meanwhile, it is also essential that we hold a steady course with present services.

For example, in Atlantic Canada we reluctantly accepted the need for reduction in VIA Rail services to match budgets and levels of service. We endure a Trans-Canada Highway that is inadequate and dangerous until we are able to find ways to improve upon it. One saving grace for Atlantic transportation, however, has been the improvement in air services in recent years. But even these are now challenged by proposals for increased landing fees and other charges to enhance transport cost recovery.

Surely, these new charges can be deferred until the royal commission report is complete in a comprehensive context. We must not any longer approach passenger transportation one segment at a time. The future demands a total solution.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance.

Today, Statistics Canada, the government's own statistical agency, stated: "Economic growth turned clearly

negative in August." Gross domestic product, the overall size of the economy actually fell 0.5 per cent, the largest monthly drop in almost five years. Under the government's policies, the economy actually shrank in August.

These cold numbers do not begin to tell the full story of the pain, the suffering, and the damage caused by the government's policies for hundreds of thousands of workers, farmers, and small business people.

Will the minister, today, change his policies and bring in new policies that will not cause this economy to shrink? Instead, will he bring in policies that will cause economic growth and that will not destroy jobs but will create them for people all across the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened with interest to the comments of the Leader of the Opposition and he is quite right. The size of the economy declined by half of 1 per cent in the month of August.

I want to point out to him, so that people do not get the wrong impression from the exaggeration of his words, the economy grew in both July and June.

I have made it quite clear since the Budget of this year that the government was expecting some decline in the economy. I also have said that after seven and a half years of very strong growth, growth which started to exceed our capacity as a country and as a economy to handle, that there were bound to be some inflationary pressures and also some decline in the economy because economies cannot grow forever. That is the sort of period that we are going through.

It is an unfortunate thing that this is the sort of thing that does happen in an economy. We have to work our way through it. Interest rates have been coming down during the month of August. Every week the interest rates declined. That is the response that we have made in order to get the economy back on a sound footing so we can see a period of solid growth ahead.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Canadians wonder why all the minister can say in the face of the shrinking economy is that he actually caused this recession through his policies, repeating this over and over again, in a way Canadians will consider cold and heartless.

Today the Ontario Agricultural Commodity Council, representing two-thirds of Ontario's farmers, that is 50,000 farmers, stated:

> Ontario farmers are facing one of the most serious income situations, in real value terms, since the "Dirty Thirties" – the current recession has only added to the financial stress of Ontario farmers.

Why will the minister not stop these policies that are damaging farmers in Ontario and all across the country? Why will he not stop these policies that are damaging workers, as well as farmers, in every part of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition says that I do not understand what is going on. I have gone through this type of thing when I was in the private sector myself. I say to the hon. member that he has not shared that same type of experience himself, so he does not have to tell me what sort of things I feel.

I do not like to see the economy doing what it is doing now. I take great pleasure in seeing an economy that is booming. That is something that we have enjoyed over the course of the six years that we have formed the government in the country, up until quite recently.

The important thing that the hon. member should remember is that he should be straight with Canadians. I have made it clear what the government's policies are. The Leader of the Opposition is saying on the one hand, stop these policies that hurt the farmer. On the other hand, they are saying to the senators in the other place "Stop the GST". Well, the GST is going to result in a reduction in costs of production to farmers in this country of $250 million. If the hon. member felt as strongly as he does about the farmers in this country, he would be supportive of the goods and services tax.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister's experience on Bay Street cannot come anywhere close to the loss of jobs by hundreds of people, thousands in fact, week after week just in the past year on the part of the people that send me to this place to speak for them.

He can speak for Bay Street. I will speak for working people in my riding and right across the country.

[*Translation*]

Mr. Speaker, I repeat that today, Statistics Canada announced that our Gross Domestic Product experienced its steepest drop in five years. I therefore want to ask the minister why he still wants to impose his GST. It

will only make the recession even worse. Why does he want to impose hardship on Canadians? Why doesn't he withdraw his GST today?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the only time the Leader of the Opposition took a cut in pay in his life was when he lost the government.

Whether you work on Bay Street or whether you work on Main Street, you still have to go through the difficulties in an economy. In my job on Bay Street I took a cut in salary because of the difficulties in the economy. I understand what these people are saying.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): I hear the hon. member opposite. Does he have any sense whatsoever of what people are going through in the country today? No, because he has never experienced it himself. I have experienced it.

The Deputy Prime Minister is meeting with the Ontario Agricultural Commodity Council. Just to quote the people who he will be meeting with today, they refer to the *ad hockery* of policies of previous governments. The failure of *ad hockery* is why members of the Ontario Agricultural Commodity Council were so supportive of the initiative announced by the Canadian Minister of Agriculture who established two committees, a federal-provincial safety net committee and a grain and oilseeds safety net committee last autumn. Both committees have worked hard during the past year and have made recommendations to the government.

We are working with the agricultural community. We are discussing directly with them the difficulties that they have in the international community and are coming up with specific solutions. The goods and services tax is also one of those solutions, and if the hon. member would be honest with the farmers of Canada—

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FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this morning at 8 a.m. in Sydney, Nova Scotia, the owner of three gigantic factory ships from St. Malo, France, boarded one of these vessels, having brought along the press from Paris to witness his stated threat that he will ram any vessel from any country that tries to stop him from illegally fishing in so-called Canada-France disputed waters. They fished there all day Friday and they fished for the last three nights in Canadian waters with no observer aboard.

I want to ask the Minister of Fisheries now, why is this government unwilling to protect a signed quota agreement between Canada and France? Why is it that the only party trying to stop them tonight is a tiny military vessel from St. Pierre?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, the fishermen in Newfoundland and Labrador are going to be impressed. Today, we have the Newfoundland member defending the interests of the fishermen of St. Pierre and Miquelon. I guess the member is right.

There is a problem between *la flotte métropolitaine française and les pêcheurs de Saint-Pierre et Miquelon.* Surely, the member is not advocating that we intervene in a French matter and tell France how to treat its fishermen in St. Pierre and Miquelon, because that is a problem.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the minister would have us believe that for the last three nights they have not been fishing while they have been in the Canadian zone 80 miles off our coast with no observer aboard.

What does he think they have been doing, having a Tupperware party?

How can this minister expect—when his main duty is to protect the fishing resource for Canadians—Canadians to believe that three massive factory freezer trawlers fishing an already depleted resource which we claim is ours is none of Canada's business?

[*Translation*]

Is this government now telling France: "Here's the fish, the zone is yours"?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): I must say George's French is improving all the time?

[*English*]

The issue here, as the hon. member knows, and what we are talking about are the French metropolitan vessels. They are not fishing—I want members of the House to know this—in undisputed Canadian waters. They are fishing in the 3PS zone that is subject to an agreement which we entered into a couple of years ago. I am sure the hon. member recalls this.

By the way, this is the agreement that reduced French catches by 40 per cent in Canadian waters, which the previous Liberal government did not have the guts to do.

* * *

PERSIAN GULF

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

Much has been said lately about the preparations for war in the Persian Gulf. The U.S. president has been planning military action with the congressional leaders.

Saddam Hussein has said that Iraq is preparing for a war and expects a U.S. attack. Last week, the external affairs minister said that Canadian young men and women may not come home for Christmas, or at all, and began to talk about Canada's participation in a war.

My question to the Prime Minister is this. The government has done a lot to prepare for war. What has his government done, using our seat on the UN Security Council, to prevent a war? Specifically, what has the Prime Minister and his government done?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure if the hon. Leader of the New Democratic Party reads *The New York Times*. If she does, she will know that about four or five weeks ago when there was a very serious dispute within the United Nations, within the Security Council as to whether auspices of the United Nations would be used or not, it was the leading intervention of Canada that helped encourage all members of the Security Council to operate within United Nations auspices.

She will know, if she is interested, that the Government of Canada, through our ambassador to the United Nations, has been highly instrumental in achieving the consensus that we have found so far on the resolutions that have come with both unanimity and impact upon Saddam Hussein from the Security Council. We have in addition been in touch at all levels of the government, calls made by the Prime Minister directly on the telephone, conversations the Prime Minister and I both had during the Children's Summit at the United Nations with foreign leaders, contacts by a range of our ambassadors and representatives seeking ways in which we can first make clear to Saddam Hussein that the world wants him out of Kuwait and that that is a condition precedent to other changes that might occur.

• (1430)

Canada has a very important diplomatic card to play. We are playing it very effectively. We intend to continue to play it as effectively as we can. If the hon. member wants, as her status as a party leader would entitle her to, a more detailed briefing so that she could speak from the facts, I would be delighted to provide that.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is for the minister responsible for external affairs.

The facts are that Canada has escalated the talk of a war, has not escalated the talk of peace at all, and to tell Canadians last week that their sons and daughters might never even come home from the Middle East is not advocating for peace.

Some hon. members: Hear, hear.

Ms. McLaughlin: The minister for external affairs, Mr. Speaker, talks about UN resolutions. This government chose, without reference to the Canadian Parliament, to send ships to enforce an economic blockade in the Middle East. Presumably the government did this thinking that an economic blockade would be successful. No one agrees with Saddam Hussein's actions.

I ask the minister responsible for External Affairs, when this was done how long did the government plan to give the economic blockade in order to see if it was going to be effective? It seems that only last week the economic blockade was seen to be effective, the next day the minister for external affairs was telling Canadians their sons and daughters might not return home.

Some hon. members: Hear, hear.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure if the Leader of the New Democratic Party honestly believes that when Canada sends Canadian troops abroad, whether we send them on peacekeeping missions, as we have done with such credit to Canada around the world, or whether we send them in support of a world-wide effort to force Saddam Hussein to respect the fundamental laws of international sovereignty, we send them with the implicit suggestion that if things get tough, Canada should turn and run. That is not the position of this government. I do not think that is the position of most Canadians other, perhaps, than those who sit behind her in the New Democratic Party.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is for the minister responsible for external affairs.

The position of this party is that this government has a responsibility to come to Parliament and to discuss and debate in Parliament before military action is taken.

[*Translation*]

Mr. Speaker, traditionally this country has played a peacekeeping role and worked together with the United Nations. My question for the Secretary of State for External Affairs is this: will he give the House the assurance that he will not deploy any military personnel in the gulf without the approval of the United Nations and this Parliament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there was a debate here in the House, in which hon. members all had a chance to participate. There was a vote. The New Democratic Party voted against the resolution. Part of the resolution gave the parliamentary committee the right to continue consideration of issues related to the Canadian presence in the gulf. The New Democratic Party voted against the idea of Parliament referring the subject to committee. There was a discussion the other day with my colleague, the Minister of National Defence and myself, who were there to explain the government's position.

[*English*]

During that debate, Mr. Speaker, that discussion in the standing committee, there was a very curious position put forward by the New Democratic Party. That position, if I understand it, is that it is fine for Canada to have our troops there in support of United Nations activity. But if something happens, if there is some emergency, instead of having Canadians take part in advancing the interests of the United Nations, what we should do is come back here and have a debate. How long does the member for Yukon want us to have this debate? How long does she want us to wait? What does she think Saddam Hussein would be doing while the Parliament of Canada was debating and while Canadian troops were waiting?

* * *

[*Translation*]

IMMIGRATION

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In his annual report, the Auditor General severely criticized the government for its failure to monitor immigration programs.

Will the minister get the resources to carry out her mandate and how does she intend to implement the five-year plan she announced last week, now that according to the Auditor General's report, it is clear she is incapable of monitoring the backlog of refugee claims? Will she get the resources to carry out her mandate and deal with these problems once and for all?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first of all, in his report, the Auditor General did not recommend any changes in the system with respect to handling the backlog. He recommended that we improve the system. The situation has started to improve, and that was clear, because 50 per cent of the claims have now been processed and 29 per cent have been finalized.

[*English*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, according to the report of the Auditor General, more than 50 per cent of the entrepreneur immigrants did not comply with the terms of the conditions of their visa once landed in Canada. Why is the minister getting tough on family reunification and the refugee conditions while the entrepreneur immigrants have the door open without control? Why?

An hon. member: That is immigration Tories, double standards.

Hon. Barbara McDougall (Minister of Employment and Immigration): The hon. member clearly is not following what we have been doing in the immigration program because we have effected two things: first of all, we have a private sector advisory group which is helping us to improve the standards of both the investor and the entrepreneur program, and we have inside the government increased our monitoring capacity on both aspects of the program and, indeed, in one case charges have been laid. Those improvements are already in place, and I emphasize that.

On my recent trip to Asia, I spoke about the need for entrepreneurs and investors to meet our standards of investment and of businesses established, I said that we would have no patience not only with those investors who fail to meet terms and conditions, but with the consultants who assist them.

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AUDITOR GENERAL'S REPORT

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is for the Minister of National Revenue and it concerns comments made by the Auditor General in his annual report. He has found that petty jealousy and turf warfare between customs officials and the RCMP may be resulting in illegal drugs and traffickers escaping detection and prosecution.

Given that any breakdown in our war against drugs adversely affects all Canadians in many ways, what specific actions, and I underscore the word specific, has the minister taken or will he take to investigate and correct this unnecessary rivalry between two fine services?

Hon. Otto Jelinek (Minister of National Revenue): First, Mr. Speaker, I do not agree in any way, shape or form with the hon. member's preamble, because there has been a great deal of co-operative effort with the RCMP over the past in joint forces operations, in exchange of personnel, many examples of success in control deliveries, representing hundreds of millions of dollars worth of drugs apprehended at the border by both the RCMP and the customs. An example just last week of a delivery from Vancouver to Montreal resulted in a $5 million seizure.

• (1440)

Having said that, Mr. Speaker, about a year ago I asked my officials and the Solicitor General asked his, to begin discussions to put together a comprehensive agreement between Customs Canada and the RCMP. We have given instructions to our officials to make certain that this agreement is finalized before the end of this calendar year, that is, before the end of December, which will address any or all of the concerns of the Auditor General.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, typically this answer is neither specific nor acceptable to Canadians. The preamble was not my preamble, but contained on page 613 of the report of the Auditor General.

Some hon. members: Oh, oh.

Mr. Wappel: I thought the minister would like to know what the Auditor General said, not what I said. The problem, Mr. Speaker, is not new. The Auditor General reports that this conflict has been around since 1984, six years without a resolution, and who knows how many drug busts have gone sour because of it.

The Auditor General—not this member—has said:

> The RCMP should ensure that its custom enforcement activities are fully co-ordinated with the policies, strategies and priorities of Canada customs.

Some hon. members: Order.

Mr. Wappel: Will the minister take immediate steps to resolve this conflict instead of letting it fester for the rest of this government's short lifetime, to the detriment of Canadians.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is very obvious that the hon. member had his supplementary question written out before I gave the answer to his question—

Some hon. members: Oh, oh.

Mr. Jelinek: —because I very clearly answered the hon. member's first question—

Mr. Wappel: Its been going on for six years.

Mr. Jelinek: —when he asked, "What is the minister going to do about this?" I said that I had instructed my officials about a year ago to begin preparations to eliminate any jurisdictional contradictions that existed between the RCMP—

Some hon. members: Oh, oh.

Mr. Jelinek: Just be quiet for a minute. Listen and you will learn something.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the minister can complete his answer.

Mr. Jelinek: To conclude the answer, I can assure my hon. friend that a detailed agreement between Customs Canada and the RCMP is going to be reached by the end of December of this year which will eliminate any jurisdictional problems that have existed in the past between the two departments.

* * *

INDIAN AFFAIRS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister of Indian affairs. It is with regard to the shocking revelations of the abuse of native children in mission schools throughout Canada, and especially in the province of Manitoba.

Canadians were deeply moved by the courageous statements of Phil Fontaine, the head of the Assembly of Manitoba Chiefs. Would the minister of Indian affairs respond to the letter of our leader, the member for Yukon, who asked on July 13, that there be a public inquiry into all aspects of child abuse in schools that were run by the Department of Indian Affairs or on behalf of the Department of Indian Affairs.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think all Canadians are deeply saddened by the revelations of Chief Phil Fontaine yesterday in a meeting with a number of church leaders in Manitoba.

We regret the fact and wish we could rewrite history about the way children in residential schools were subjected apparently to physical and sexual harassment many years ago.

All members of Parliament, governments and leaders of institutions, such as the churches, have an obligation to bring forward initiatives to try to redress those injustices and to provide adequate counselling and assistance to those who were the victims.

I want to inform the hon. member, if he is not already aware of it, that I responded in detail to a letter from his leader on April 30, and spelled out all of the aspects of the government's response to these terrible problems. I will table that letter if it be the wish of the House.

Mr. Rod Murphy (Churchill): First of all, just to correct the minister, he responded on August 30 and, yes, I do have a copy of the letter.

The question is this. Healing starts by an open acknowledgement of the problem. It is not a matter of rewriting history, it is a matter of acknowledging history. There will only be further child abuse, further alcoholism, further drug abuse if these incidents are not studied. Will the minister commit himself now to the request made on July 13 for an open public inquiry into this very important matter?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member and other members of his party seem to believe that public inquiries are the only means of resolving such serious issues.

This department and this government have taken major steps to deal with child sexual abuse and family violence within Indian communities. We have closed all but one federal residential school in Canada since 1970. At that time there were 60 such schools. We have brought forward a program of initiatives these past three years at a funding level of $1.4 million to assist in dealing with child sexual violence in native communities.

The Prime Minister has committed this government to a major initiative on family violence, and further details of that are to be announced shortly. We have taken numerous positive steps. We are saddened by revelations of the past. All members should work together to ensure that these tragic stories never repeat themselves.

* * *

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the minister responsible for ACOA. Yesterday the Auditor General cited as inappropriate the funding by ACOA of millions of dollars in loans to NSC Diesel Corporation because ACOA had not properly evaluated the financial viability of the project.

Since the spectacular collapse of this company has led to the bankruptcy of many small subcontractors on that shore, and the loss of jobs of their employees has now been clearly linked to incompetence and negligence, will the minister do the right thing and take personal

responsibility for this fiasco and explain his involvement in its approval?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I read the exaggerated statement of my colleague yesterday and I have listened to his question today. I want to point out to him that there may have been and are some difficulties on this project, but ACOA officials have acted with circumspection and we are still trying to restructure the project.

I want to point out to him for his interest that the loan guarantee and all of the other advancements of money were carried out with great attention to detail. I am willing to admit that one cannot always avoid some mistakes. I want to point out to the hon. gentlemen, who is very fair, that even such a very conscientious person as himself, while he was executive director of his party for three years, was recently quoted as saying he had no idea that his own leader was drawing a secret salary from a trust fund from his own party.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the minister opposite can run but he cannot hide. I will tell him right now that the subcontractors who are going bankrupt do not buy that type of rhetoric, the people who are losing their jobs do not buy that type of rhetoric, and the taxpayers who are going to lose up to $2 million do not buy that type of response from the minister.

Will the minister now commit to a full, open and public inquiry into the approval of this project so as to determine whether or not it was bureaucratic bungling or political expediency that led to the inappropriate approval of this project, a project which just happens to be in the minister's own riding?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I should ask the hon. member the difficult question, perhaps I would if he would, with respect to the other matter.

Let me say to the hon. member that instead of kicking the entrails out of a project that is in trouble, perhaps in fairness he should refer to the 235 projects with eligible capital costs of $42 million and over 600 jobs that were to the benefit of his own constituents.

ENERGY

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have a question for the Minister of the Environment.

I have copies in my hand of Transport Canada directives on motor vehicle fuel testing. The gasoline additive MMT has been banned in the United States because it may be one of the causes of severe mental disorders, including Parkinson's disease. Given that such is the case, will the minister tell us why he has not banned MMT in Canada, and why will he not do it now?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I take it that the hon. member is talking about MTBA.

• (1450)

The hon. member makes a valid point concerning additives. The government is looking at various additives for gasoline, and specifically octane rating. It has not made any decisions obviously, but is looking at some of the issues relating to the new environmental approaches that it wants to take.

I will take the hon. member's position under advisement. Others have asked for the same kind of approach as he has asked for today.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, in the words of one of our leading neurotoxic scientists, "this is a case of sheer government negligence." Ethanol is an environmentally safe and acceptable alternative that is renewable, and would benefit farmers across this country.

Will the minister take the necessary steps to ban MMT in Canada and replace it with ethanol?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I thought that was eventually where the hon. member was going.

Ethanol is being produced in my home province of Manitoba by a small oil company called Mohawk. It is located in the riding of my colleague, the Minister of State for Grains and Oilseeds and the Canadian Wheat Board. It is a very successful program and it is used as a blend for 10 per cent. Generally speaking, it also advances the marketability of the gasoline of Mohawk.

The issue that has to be dealt with regarding ethanol is that if one compares it to the United States, the Americans have to supply from offshore sources 50 per cent of their oil, whereas we are self-sufficient in oil. That is why the use of ethanol also makes some sense. In the United States there is an approximate 60 cent subsidy per gallon of ethanol. It is those kinds of subsidies that one would have to consider as well in Canada, if one was going to use ethanol.

Despite all those factors, the government is looking at alternate energy and it is well ahead of anything that their government ever did.

* * *

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday in the public accounts committee hearings, the Auditor General said that he is very concerned about the huge potential for fraud with the introduction of the GST. He said: "there is a great potential for companies to inflate claims about their inventories in order to claim manufacturers' sales tax rebates."

I would like to ask the minister what he has done to prevent the massive potential for fraud with the implementation of the GST? The people of Canada want to know.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I find it quite interesting that the NDP, not too many months ago, were complaining about the government hiring "tax police" to make certain that there would not be any fraud taking place under the forthcoming goods and services tax. They cannot have it both ways.

Second, hon. members should know, and the Auditor General agrees with this, that the existing federal sales tax is the one riddled with loopholes for potential fraud. That is just one of the many reasons why that sales tax must be scrapped.

Finally, it is as a result of the Auditor General's recommendations of last year when he said that the government could not, in fact, properly prepare and administer the sales tax without getting new technology, new systems and new personnel in place in advance. That is just what we have done to assure a clean, smooth launch, which in fact will take place January 1, 1991.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is to the Minister of the Environment.

After listening to expert witness for more than a year on the dangers of global warming, the environment committee of this Parliament concluded that the minimum that Canada can and must do is cut carbon dioxide emissions by 20 per cent by the year 2005.

Despite repeated invitations, the minister has never attended the committee to hear just how strongly all members of this House hold that view.

Will the minister assure this House that while he is attending the second World Climate Conference in Geneva next week, that it will be to support the 20 per cent reduction in carbon dioxide, or is the minister frozen to the dangerous view that Canada should continue as the fifth worst per capita greenhouse gas polluter in the world?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we have made our position very clear on this issue. Canada is committed, as a great number of nations are, to stabilizing CO_2 emissions by the year 2000 to the level they were in the year 1990. Certainly Canada would like to move ahead on the schedule, but Canada will not move ahead on a schedule as important as this until we have a scientific data base to allow us to suggest specific measures that will allow us to accelerate the process.

We will stick with this position. It is a position that shows responsibility as a world leader on this question.

* * *

[*Translation*]

IMMIGRATION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

After the demise of Meech Lake, the government made a commitment to sign a formal agreement on immigration with the Quebec Government that would

transfer to the Government of Quebec the authority to select—

Some hon. members: Oh, oh!

Mr. Bouchard: I am sorry if this bothers the members of the Liberal Party, but these things are important to Quebec.

I was saying that the agreement would transfer to the Government of Quebec the authority to select and integrate these immigrants. So far, the agreement is in limbo.

Yesterday, the Premier of Quebec, Mr. Bourassa, demanded that the federal government sign the agreement. My question is: what is the minister waiting for and has the government decided to put a freeze on negotiations with Quebec?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, my answer hasn't changed since the last time the hon. member asked me that question. Both governments still intend to follow up on the Cullen–Couture Agreement, but as I have already stated on several occasions, do not ask me to confirm a date.

Hon. Lucien Bouchard (Lac–Saint–Jean): Mr. Speaker, I repeated my question because the answer I got was not satisfactory. It is always the same.

One of the harmful effects of not signing the agreement is that the Government of Quebec has fewer resources to apply to French courses for immigrants. At the present time, the government's refusal to sign is doing immeasurable harm to the immigrants concerned and weakens Quebec's language policies. Will the government tell this House that it will stop meaning well and start doing what it has to do?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the hon. member ought to read the document on future immigration levels, because far more funding has been set aside for language courses under the integration plan and, of course, Quebec has its share.

[*English*]

HEALTH

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the subject of suicide is of special interest to me, particularly as it represents a wasted life. I know this is of concern to all parliamentarians.

An hon. member: Oh, oh.

Mr. Schneider: Mr. Speaker, apparently, this does not interest some members of the opposition and I regret that.

There is currently a conference under way in Vancouver sponsored by an association called the Canadian Association on Suicide Prevention. I understand that the role of the federal government, in particular the Department of National Health and Welfare, in suicide prevention has been raised.

This being the case, I wonder if the government could please tell this Parliament what the department is doing in this regard.

Hon. Marcel Danis (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I would like to thank the hon. member for his question. We know that suicide is a most tragic event which is caused by a number of things. The most important one is mental illness. We know that over 80 per cent of the people who commit suicide in this country are affected by mental illness and a majority of those are affected by schizophrenia.

The Minister of National Health and Welfare has given instructions to people in his department to co–operate very closely with researchers across the country. Our aim is to reduce the number of suicides in this country and I am sure every member of this House will support the Minister of National Health and Welfare in this respect.

* * *

AIR SAFETY

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Minister of State for Transport in the

absence of the Minister of Transport. Today Transport Canada will terminate weather and communication services at the airport in the community of Fort Franklin, Northwest Territories.

My question is regarding the issue of air safety. Given the apparent lack of federal government policy on the provision of services to northern remote communities that have no roads and average about 2,000 flights per community per year, I ask the minister this.

• (1500)

How much is air safety worth to the government and why is the minister putting a dollar value on the lives of my constituents who have no other choice than air travel?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Mr. Speaker, I have asked my officials to give me a full report on the operations at Fort Franklin. However, I have been told that the only air carrier at Fort Franklin is equipped and able to provide the essential information required for safe operations.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the information we get from the air industry around Fort Franklin is not to that effect. My supplementary question is directed to the same minister.

The community of Fort Franklin held a memorial service for seven residents killed in 1984 in a tragic plane crash. The Canadian Aviation Safety Board's investigation into the crash indicated the accident could have been prevented if there had been adequate weather and communication services.

Will the minister stop his officials from terminating the current services? Today is the deadline. Will he commit to upgrading the service to a full communications air radio service program, which is what those residents and the air industry around that area want?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Mr. Speaker, I repeat that the information that we have is that the only air carrier at Fort Franklin is properly equipped and able to provide the essential requirements for its safe operation. If the hon. member has any facts to communicate to us to the contrary, we will be very pleased to take them under consideration.

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of Margo Wallstrom, Swedish Minister for Equality Between the Sexes.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, pursuant to Standing Order 32(2), I would like to table, in both official languages, the annual report of the Canadian Advisory Council on the Status of Women for the year 1989–1990.

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PETITIONS

GOVERNMENT RESPONSES

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I would like to table, in both official languages, the government responses to 29 petitions.

* * *

BILL C-68

REPORT OF LEGISLATIVE COMMITTEE

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-68, an act to amend the Yukon Placer Mining Act and to make provisions for the applications of certain orders with amendments, in both official languages.

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

PETITIONS

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition signed by several Canadians dealing with the government's intention of imposing the goods and services tax on books, publications, magazines, et cetera.

The petitioners humbly submit that uninhibited dissemination of the printed word as a corner-stone of our democracy, culture, education, and a literate and productive society will be negatively affected by the GST application. The undersigned humbly pray and call upon Parliament to reaffirm the historic principles embodied in the tax-free status of the printed word by retaining the zero rate in the GST legislation and regulations.

NATIVE COMMUNICATIONS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have the honour to present a petition signed by 58 people from such communities as Watson Lake, Old Crow, Whitehorse, Quesnel, B.C, and Fort Frances, Ontario which criticizes the Secretary of State for cancelling funding of native newspapers and reducing funding for native broadcasting.

This has resulted in the undermining of communications between native people, and between native and non-native Canadians. This cut in funding has also further jeopardized the survival of aboriginal languages in Canada and compromised the efforts to improve native literacy.

The petitioners pray that the government should reinstate both the native communications programs and the Northern Broadcast Access Program at full funding levels and, further, that the Department of the Secretary of State conduct consultations with the groups affected before it changes the funding plans for native communications media.

GOODS AND SERVICES TAX

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, pursuant to Standing Order 36, I want to present a number of petitions, the first being 12 pages in length and signed by a number of my constituents regarding the goods and services tax.

It points out the inequity of the goods and services tax, and it also states that the government should be implementing a tax system which is fair and equitable for all Canadians.

As New Democrats, we have those alternatives already, while the Liberals have to start a special committee to determine whether or not there is a way to beat the tax.

OLD AGE SECURITY

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, another petition relates to the clawback on the old age security system.

Once again, the petitioners come from my riding of Saanich—Gulf Islands. They protest the regressive system of withdrawal of old age security and the regressive measures of the government.

VIA RAIL

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the third petition relates to the dismantling of the VIA Rail system. The Government of Canada is selling or transferring substantial parts of the VIA Rail system, a system which all of us, as Canadians, contributed to.

GOODS AND SERVICES TAX

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, rise under the provisions of Standing Order 36 to present a petition signed by several citizens from central and eastern Ontario.

The petitioners humbly pray and call upon Parliament to reject the current proposal for a goods and services tax, to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, to ensure that there is no taxation on goods and services such as haircuts, fast food, piano lessons and other non-luxury items, and to cause the government to cease with the proposal which will tax diapers and coffins, in other words, taxing Canadians words from the cradle to the grave.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I wish to table petitions signed by Canadian citizens from across Canada who call on this government to drop its plan to impose a tax on goods and services, especially as it applies to newspapers, magazines, books, and any printed matter that deals with the dissemination

of culture in Canada. Your petitioners humbly pray and call upon the government to reverse this ill-considered decision as soon as possible.

[*English*]

GANNET ROCK LIGHTHOUSE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, I am presenting a petition on behalf of the people of Grand Manan Island. Grand Manan Island is in the Bay of Fundy.

The residents of Grand Manan Island are protesting the proposed destaffing of the lighthouse on Gannet Rock in the Bay of Fundy. That lighthouse was established in 1831.

The petitioners humbly pray and call upon Parliament to maintain the current staffing of the Gannet Rock lighthouse. This is just one of many petitions I have presented regarding this subject.

• (1510)

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, when a young person passes away as a result of a severe allergy reaction, many thousands of Canadians are moved to take action. One of the actions that has been taken is this petition which is signed by Canadians living in Scarborough, North York, Markham, London, and Ajax.

These petitioners are joined by the Allergy Information Association and call upon Parliament to enact legislation amending the food and drug regulations in order to require manufacturers to list specific food ingredients and additives to pre-packaged foods.

As well, the petitioners ask that restauranteurs and food retailers provide to customers a list of all food ingredients and additives in prepared foods.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by several constituents in the riding of Nepean. Your petitioners object to the GST, especially its application to books and all printed matter, and they ask the government to withdraw the tax. We heard the Prime Minister say he was considering this possibility. Your petitioners are most interested in what the Prime Minister said. I am sure these Canadians are among the 85 per cent who object to this unfair tax.

[*English*]

YOUNG OFFENDERS ACT

Mr. Bruce Halliday (Oxford): Mr. Speaker, it is my duty and privilege to rise, pursuant to Standing Order 36, to present a petition signed by approximately 2,900 of my constituents in Oxford.

This petition is directed towards the Young Offenders Act and emphasizes that young people are responsible for their behaviour and should be held accountable in a manner appropriate to their age and maturity.

The petitioners humbly pray and call upon Parliament to revise the laws of Canada to replace the Young Offenders Act with an updated juvenile delinquents act, with a lowered maximum age of 13 years.

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to present petitions which are signed by hundreds of Canadians from around Canada who ask the government to reconsider its crazy proposal to come in with the 7 per cent goods and services tax.

They believe that this tax is not only unfair, invisible, and double-tiered, but that it is a tax that is regressive. It will hit the poor people in the country the hardest and the poorest regions of the country the hardest.

The petitioners beg the government finally to come to its senses, to retrench its position on the GST, and to kill this tax.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to rise, pursuant to Standing Order 36, to present a petition on behalf of a number of people from the area of London, Ontario.

These people have not given up their fight against the goods and services tax. They ask the government to review pushing this tax through, to back off on its position, and to bring in a tax that is more fair to all Canadians.

CABLE BROADCASTING INDUSTRY

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, on the day that we are about to debate the third reading of the Broadcasting Act, I am very pleased to present a huge petition, with 1,800 names from my riding

of Port Moody—Coquitlam and other places in the Greater Vancouver Area.

The petitioners states that the cable industry is the only territorial monopoly in Canada whose profits are unregulated it is making rates of return of about 32 per cent. They humbly pray and call upon Parliament to adopt Bill C-284, which happens to be my Private Members' Bill. This bill would apply a rate of return regulation. In other words, it would treat the cable industry just like the telephone industry. It would regulate it and reduce cable rates for ordinary Canadians in the country.

GOODS AND SERVICES TAX

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, pursuant to Standing Order 36, I am happy to place before the House a number of petitions from people in my riding of Broadview—Greenwood who still believe that the goods and services tax can be defeated. They hopefully request that the government will take the necessary time to study the single tax as a constructive alternative to the GST.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

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

I know the parliamentary secretary has applied himself with diligence in trying to get the answers to the Notices of Motions for the Production of Papers that I placed on the Order Paper at the beginning of this month. Thirty-one days have elapsed. There was a notice period provided before that. On October 17, I rose on a similar point. The parliamentary secretary said that he was doing everything he could to ensure that we got the highest quality answer.

I know that he may not have been able to get the answer, but I tell him in the spirit of reason and in appealing to his reasonableness and kindness, I wonder if he would agree today to adopt the two motions as orders of the House for the production of these papers. I am quite prepared to wait for a couple of weeks more for him to dig them out and table them in the House. Perhaps we could adopt the orders today and then there would be a House order demanding the production of the papers. That is all I am really asking for. If we have got the order, I am quite content.

I know the parliamentary secretary has researched this and I know he knows that the motions are asking for something that is in his power to give. Would he consent to adopting the motions today?

Mr. Cooper: Mr. Speaker, flattery will get you a lot of places, but that is one thing I just cannot concede to.

Mr. Gauthier: Mr. Speaker, I would like to rise on the same point of order. I have a request for the Production of Papers dated September 27.

Here again, it seems to me it would be a sign of co-operation on the government side, if these papers do exist, to make them available to us. The papers are very simple. All I am asking is for copies of correspondence from His Excellency and Her Majesty the Queen with regard to Section 26 of the BNA act. It is not very complicated.

If there is no correspondence, then say so. But if there is, then we can have an Orders of the Day maybe to debate that later on this day.

Mr. Cooper: Mr. Speaker, knowing how astute and studious my friend is, I knew that he would be asking this question today. I did check once again to see where this information is. I am told that the the word "soon" does apply in this case.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BROADCASTING ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radiocommunications, as reported (with amendments) from a legislative committee.

SPEAKER'S RULING

Mr. Speaker: There are 50 report stage motions set down on the *Notice Paper* in amendment to Bill C-40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radiocommunications.

[*Translation*]

All of these motions are standing in the names of the Honourable Members for Mount-Royal, for Beaches-Woodbine, for Port Moody-Coquitlam and for Edmonton South-West.

[*English*]

Motions Nos. 1, 2, 4, 5, and 48 are in order and will be grouped for debate. Motion No. 3, while moved, debated, and negatived in committee, I have decided to accept as part of this grouping. I have done so as a result of representations from several hon. members about the significance of the motion. A vote on Motion No. 1 will be applied to Motions Nos. 3, 4, and 5. Motions Nos. 2 and 48 will be voted on separately.

Motions Nos. 6, 31, 35, 39, 49, and 50 are acceptable and each will be debated and voted on separately.

Motions Nos. 7, 25, and 38 will not be selected for debate as these motions were moved, debated and negatived in committee.

[*Translation*]

Motions numbered 8, 9 and 10 are in order and will be grouped for debate. A vote on motion numbered 8 will be applied to motion numbered 10. There will be a seperate vote on motion numbered 9.

[*English*]

Motions Nos. 11, 12, 13, 14, 15, 42, and 43 are related. Motion No. 11 was moved, debated and negatived in committee and Motion No. 43 is similar to it. The other motions are, in effect, a break out of the elements of Motion No. 11. After deliberation and consultation, I have decided not to select either of Motions Nos. 11 or 43, but I will select Motions Nos. 12, 13, 14, 15 and 42. They will be grouped for debate but they will be voted on separately. Motions Nos. 16 and 17 are generally the same. Normally, neither would be selected at this stage as a motion identical to Motion No. 16 was moved, debated and negatived in committee.

• (1520)

Representations, however, from all sides of the House have emphasized the importance of this subject, and I have decided to allow Motion No. 17 to go forward for debate. I must also point out to the House that Motion No. 30 deals with national unity, as does Motion No. 17. These two motions will therefore be grouped for debate but will be voted on separately.

[*Translation*]

Motions numbered 18, 19, 20 and 21 are in order. They will be grouped for debate and will be voted on separately except that a vote on motion numbered 20 will be applied to motion numbered 21.

[*English*]

Motions Nos. 22 and 23 are in order and will be grouped for debate. A vote on Motion No. 22 will be applied to Motion No. 23.

Motions Nos. 24, 26, 27 and 28, all dealing with distribution undertakings, are acceptable and will be grouped for debate but voted on separately.

Motion No. 29, identical to Motion No. 28, will not be selected.

[*Translation*]

Motions numbered 32, 33 and 34 are in order and will be debated together but voted on separately.

Motions numbered 36 and 37 are identical and therefore, I will select motion numbered 36. It will be debated and voted on separately.

[*English*]

Motions Nos. 40 and 41 are also identical, and I will select for proposal to the House Motion No. 40. It will be debated and voted on separately.

Motions Nos. 44, 45, 46 and 47 will be grouped for debate. The vote on motion No. 44 will be applied to Motions Nos. 45, 46 and 47. A recapitulation of this ruling is available from officers at the Table.

I will now propose the first grouping Motions Nos. 1, 2, 3, 4, 5, and 48 to the House.

Mr. Waddell: Mr. Speaker, first of all, and I think I can speak for all of us who will take part in this debate, I would like to thank you and the table officers for the fine work in putting this together, and some fast work too, because I understand the government got in some motions that were pretty close to the wire, as did others of us. I want to thank the table officers, through you, Mr. Speaker, for their good work here.

I have one problem in a sense with Motion No. 6. I have a speaker who has to get to a committee, and I wonder if it will be possible to have the consent of the House, if that is in order, to have Motion No. 6 debated with the first group of motions, although I understand it would be voted separately? Could I ask for that?

Mr. Speaker: The hon. member for Port Moody—Coquitlam has asked the House for consent. I am in the hands of the House. Is there consent?

Some hon. members: No.

Mr. Speaker: There does not seem to be consent. It may be some time before the debate would get to it in any event. Perhaps the hon. member might be able to make some other arrangement.

MEASURE TO AMEND

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 1

That Bill C–40 be amended in Clause 2 by striking out lines 7 to 15 at page 1 and substituting the following therefor:

" "broadcasting" means any radiocommunication in which the transmissions are intended for direct reception by the general public, whether or not such transmissions are encrypted;"

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications) moved:

Motion No. 2

That Bill C–40 be amended in Clause 2 by striking out line 28 at page 2 and substituting the following therefor:

"another undertaking or person,".

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 3

That Bill C–40 be amended in Clause 2 by striking out lines 32 to 35 at page 2 and substituting the following therefor:

"enlighten or entertain;".

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 4

That Bill C–40 be amended in Clause 2 by striking out lines 43 to 46 at page 2 and substituting the following therefor:

" "radiocommunication" means any transmission, emission or reception of signs, signals, writing, images, sounds or intelligence of any nature by means of electromagnetic waves of frequencies lower than 3000 GHz propagated in space without artificial guide;".

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 5

That Bill C–40 be amended in Clause 2 by striking out lines 3 to 6 at page 3.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications) moved:

That Bill C–40 be amended in Clause 81 by striking out lines 4 to 7 at page 50.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I will look with a great deal of interest at the amendment placed before us by the government, as I have just seen it this morning.

In the meantime, I would like to generally address this bill. The section that is being discussed now is in Part I and it is the definition section of the bill. I would suggest that it is a reflection of the problems with this bill. It is the key reason why this bill is flawed and unacceptable.

Unfortunately, although desperately needed in many of the new changes that have been made—and I think the committee under its several chairman did an outstanding job as well as the legislative committee—the government put in definitions that make it like building your Canadian house on the San Andreas fault. It is on a faulty foundation. It has been built with the potential to crack and split so that the balkanization of this country occurs rather than using this very powerful communication tool, this wonderful potential of infrastructure, or as the Prime Minister called it, "the central nervous system of our society", which will promote and communicate cultural values to our young generation, in particular. It will be maintained under federal jurisdiction to ensure that we have a common interest in common policies and

a common modality of operation from coast to coast on all three sides.

That is not the case. Bill C–40 attempts to redefine broadcasting, thereby touching provincial jurisdiction in the way that it has been done. This could result in a provincial challenge to this jurisdiction. The problem is further compounded by a move to separate cable services—it is referred to as the undertakings—into programming and non–programming functions. This is a rejection, as the government well knows, of conventional legal practice which regards such undertakings as indivisible.

This principle lies at the very heart of the CRTC's ability to regulate broadcasting to balance services, costs, benefits and to ensure that Canadians have reasonable access and choice, regardless of whether they are looking at alpha numeric text, whether they are seeing stationary or moving objects, whether they are going to be entertained or informed or whatever the case may be.

This government knows very well that some years ago the Government of Quebec indicated its interest in regulating communications beginning with cable television. Recently, with the destabilizing factors that are going on in our society, and the questions that flowed from Meech Lake and everything else, we had some very serious concerns. Then there was the provincial minister of communications of Quebec expressing serious reservations about this being maintained in the federal jurisdiction. In her view, and she spoke quite candidly and openly, broadcasting and communication functions are culturally relative. It was her view, and I presume she was expressing the view of the Government of Quebec, that this was an exclusive jurisdiction belonging to the province of Quebec.

Constitutional experts have already pointed out that the challenges to federal jurisdiction in areas like broadcasting will now become inevitable because Bill C–40 seems designed to weaken any possible defence and indeed, to set the stage, for a devolution of authority and indeed the balkanization of service which would inevitably follow.

• (1530)

I suggest that this is sad. We are all very much aware that, as a general rule of statutory interpretation, when a term is changed in law, a new meaning could be ascribed to the changed term. This is very disconcerting.

We struggled long to ensure a balance of broadcasting services and programming choices across this immense land of ours. It is an equity that is still not fully balanced in terms of interests and resources, but we are getting there. We are getting very good.

Only if one would contemplate circumstances in which neither Canadian ownership nor Canadian programming is any longer relevant or important does this kind of voluntary abdication of the federal role make any kind of sense at all.

Regarding what I was referring to with respect to the splitting of the undertaking or the splitting up of the cable services, this proposed act would create a constitutional issue and give rise to dual regulation by splitting this whole undertaking into two parts: programming and non–programming.

I am going to quote from the CRTC, the regulator, which is a quasi–judicial court which came before the legislative committee. In fact, it has come before us on two occasions and said to us: "Be very cautious. Be very careful. You have changed the rules of the game. You have now taken the non–programming part out of the system."

This very arbitrary split is serious, and I would like to explain why. The Supreme Court of Canada has held that for constitutional purposes, broadcasting undertakings are not divisible into their component parts. That is what the Supreme Court said, the rationale being that as far as possible, no single undertaking should be subject to two separate masters or jurisdictions.

This government was well aware of that. In fact, it made provisions further on in the bill in clause 85, or 87 since we have changed the numbers, that it would now fall under other provisions.

The proposed legislation would require such a split and therefore would reopen the debate over constitutional jurisdiction, especially with regard to cable distribution systems.

The proposed act implicitly states that it does not agree with the 1932 Privy Council radio reference case which assigned federal jurisdiction through two arguments: that of peace, order and good government as well as that of radio waves which are interprovincial and international. They have suggested that this is wrong.

Second, the proposed act implicitly states again that the Supreme Court of Canada was wrong when it concluded that undertakings could not or should not be split. As the Supreme Court did decide in both the Dionne and the Capital Cities cases. It also said that with respect to the AGT, the Alberta Government Telephone case.

Legislation now invites provinces and others to start new litigation, but with federal jurisdiction on much weaker ground because the legislation itself admits that a split is a practicable alternative. I find that sad.

One example, typical of the problems associated with the splitting of undertakings, is the following. Engineering experts have advised us that the intellectual matter contained in the vertical blanking intervals of a television signal can be considered to be separate and apart from the main transmission. That is all gobbledegook to many of us.

What it literally means is that the broadcasters use this blanking interval to distribute closed captioned, alpha numeric material for the hearing impaired. The definition of "program" will therefore mean that the commission will lose its jurisdiction over this very important aspect of broadcasting.

It is rather ludicrous, because we just finished bringing the whole question of hearing impaired into the bill. So now we put it in. We take it out. We play games with it without even thinking of the consequences. It is really a sad state.

It should also be remembered that if alpha numeric material is not regulated, then alpha numeric networks could be freely set up and such operations could be owned by foreign interests. I sincerely invite the parliamentary secretary and, through him, the minister to rethink the serious implications of what they have done in their definition section. Without maintaining the jurisdiction of the commission as it is under the present broadcasting act, they have put this whole system in jeopardy and nonprogramming activities of cable licensees could fall outside the jurisdiction of this law.

I suggest that one regulator with jurisdiction over the entire undertaking would be able to ensure that programming has its primary place in the system. The CRTC could examine and then decide to exempt under clause 9.4 of the bill, and that would look after the concerns that we have if we return to the original definition.

Mr. Speaker, what is this TV set? I ask you that. What does the TV set in your home do? It informs you, it entertains you, it enlightens you, it gives you the weather, it gives you the stock market, the news, laughs through comedy, tears through drama, it educates you and your children. The minute you turn on your set it impacts on your life. It has a very special kind of place. You can even be a couch potato and enjoy it.

It is also a business, but it is a very special business that must be so treated whether it is home-shopping services, whether it is your favourite TV or movie, whether it is your favourite program such as *Lance et Compte*, *E.N.G.*, *Street Legal*, *Le Point*, that is not the issue.

The government's attempt to produce a technology-neutral bill that is supposed to survive the time and introduction of new technologies is going to result in serious concerns and litigation. I would like to recommend strongly that we go back to the original definition so that we do not need to worry that this well-designed Canadian broadcasting system which can establish the unique cultural identity of our country in any man's language is ever put into jeopardy.

Therefore, I would move that Liberal Motions Nos. 1, 2, 3, and 4 be reinserted in the definitions found in the 1968 Broadcasting Act. They have stood the test of time. I would suggest that in terms of Canadian content and the potential to siphon out much-needed advertising revenue dollars which are needed for Canadian programs can be more carefully reviewed by the CRTC. I remind this government that this is not the act for the sale of Canada. This is an act for the Canadian broadcasting system which impacts on the lives of our children and determines our future and who we are as a people.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise to speak on this bill as a former NDP communications critic, moved on into the justice area,

but I have with me my friend from Okanagan—Shuswap who—

Mr. Marchi: Are you still NDP?

Mr. Waddell: Yes, I am still NDP and proud of it, my friend. Proud of it.

My colleague from Okanagan—Shuswap, who is now the critic, will be working with me on this bill. This bill has been before us for a long time. It is a very complicated bill.

What we are going to try to do from the NDP perspective is to try to make it comprehensible to the average person who may be watching this debate, reading about it, or sitting here following it. We undertake to try and do that to the best of our ability.

The bill, as the previous Liberal member mentioned, is of immense importance. We do watch TV for news, entertainment, education, information, and soon we are going to be watching it and using it to order our pizzas, to do our banking, order our groceries. Indeed, we will even be able to replay our favourite hockey game, the hockey goal. When my Vancouver Canucks beat your team there in Edmonton, Mr. Speaker, occasionally, we will be able to replay the plays even in our own house. We see that kind of new technology that is always coming in.

There is immense power and immense money involved in communications and that is why this bill is of immense importance.

I want to outline a little bit, before getting to the first stage of amendment, the history of the bill. It has been a very long road indeed.

• (1540)

In May 1985 the minister, who was also the minister then, created a task force on broadcasting, which became known as the Caplan–Sauvageau report. The task force reported in September 1986. In May 1988 the 15th standing committee report was a major report on broadcasting. In June 1988 the then Minister of Communications, Flora MacDonald tabled Bill C–136, which was the Broadcast Act. She also tabled *Canadian Voices, Canadian Choices*, a broadcasting policy document.

From July to August 1988, hearings were held on Bill C–136. We had 15 meetings, heard numerous witnesses and considered dozens of amendments. I am pleased to say that the government accepted six NDP amendments and two Liberal amendments, which is kind of unusual, but the way committees should work.

Our party's amendments were successful on matters dealing with multiculturalism, regional representations, equal rights for women and other groups, and other issues. In September 1988 we had six days of debate on the report stage. There were 92 opposition amendments and while some minor amendments were accepted, the government rejected the major amendments on the bill.

The bill passed third reading on September 28, 1988—that is about two years ago—and the bill died in the Senate three days later when the Prime Minister called an election which, unfortunately, he won.

In October 1989 the bill was back. This time it was called Bill C–40. It is essentially the same bill with five or six changes. I know the parliamentary secretary, my good friend, the member from Edmonton, has done a yeoman's job on this bill, and before that, in committee. The government should take notice of this fellow from Alberta. He is not in my party, but he has done a very good job in this House, and in committee beforehand.

Some hon. members: Hear, hear.

Mr. Waddell: This bill passed second reading in December 1989. From January to March it was in a legislative committee. There were 65 amendments presented by my colleague for Mount Royal, the Liberal critic, and myself. Most were rejected, although I did manage to get the support of government backbenchers to pass a community broadcasting amendment over the government's objection. It was a great victory for me. Such things do backbenchers live for in this House. It was passed.

The major issues in the debate that we have been presenting are four. First, this government is Meeching and leaching the CBC. Leaching it by taking all the money away and not giving it enough money. "Meeching" it by taking away its ability to have a national mandate for national unity and by splitting the board into English and French. There used to be one board, now it is splitting it up. I call that "Meeching" the bill. There will be much debate about this later on.

Second, the cable industry is the big winner. I feel a little bit like the David against the Goliath of the cable industry here, but David is making a little progress. We want the cable industry regulated, like the phone compa-

ny, so that people will pay decent cable bills. They keep going up and up and up.

Today I presented a petition with about 1,800 signatures. My colleague for Okanagan—Shuswap and I have had petitions from all over this country saying, "Let's regulate the cable industry, like we regulate the TV industry", but unfortunately this bill makes it pretty easy for the cable industry, and it gets off. They can even originate programming, so they are the big winners in this bill.

I have some amendments to level the playing field a little bit. That is what appeals to Conservatives, levelling the playing field, and that is what we are trying to do by some of these amendments.

Third, private television has not been doing its job in presenting Canadian programming, so we have some amendments to make them do that job, since they have the rights to the airwaves.

Fourth, the government is threatening, in our view, the independence of the CRTC, which is the body that regulates radio and television. In making this point, we have some reason to be critical of the commission, but we are going to advocate specific remedies to deal with this. Those will be our amendments.

Now let me just speak briefly to the member for Mount Royal's first group of amendments. I also have some in that group. Basically, by bringing forward Motion No. 3, the hon. member is attempting to delete the exemption from the definition of program for visual images made up largely of alpha numeric text. This is a dangerous exemption, and we support its deletion through this amendment.

Let me try to explain what that means. The government is attempting, by its new definition, to get the CRTC out of the business of regulating services, such as real estate advertising. You see that now on your TV. This potentially exempts such undertakings from Canadian content and ownership provisions. Everything that appears on television, we believe, should have reason to be there, and should either be licensed or not by regulatory authority. There is the potential conflict between regulated channels and non-regulated, or alpha numeric channels, for positions on the television dial.

Let me translate that into English. It means that on the TV dial there is CTV, CBC, but also real estate asking people to buy this and that. What the government does not want to do is regulate that real estate or shopping, or whatever. We think it should be regulated by the CRTC because everything on the dial should be regulated. It should be regulated because that ensures Canadian content. It ensure good taste. It ensures good quality of broadcasting. That is what this amendment is about. That is why we support the amendment of the hon. member for Mount Royal, which is the same amendment we have produced.

I will now sit down, having outlined the nature of our position on the bill. I do not know if I have to move a motion on my amendments in the first grouping, but if I do, I will.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am delighted to revisit these issues. As the hon. member for Port Moody—Coquitlam has indicated, we have been here before, and this time maybe we will get it done.

There was a distinguished Canadian broadcaster, who at one point in some discussions leading to the formation of broadcasting policy by the former minister, the Hon. Flora MacDonald, said to the minister, "Here's my advice, Minister. What I believe you ought to do is to repass the old bill and put a clause at the end saying 'this time we mean it'." There was a lot of pith in that comment.

I want to congratulate the hon. member for Mount Royal and the hon. member for Port Moody—Coquitlam for the contributions they made to this bill, the policy we have now and to where we are going. There are other members here in the House who have made like contributions, but I think even the hon. member for Port Moody—Coquitlam will forgive me for a special mention of the hon. member Mount Royal, who has been at this at least as long as I have, and has truly come to these issues with passion, with commitment and with a growing depth of understanding of these issues.

Motions numbered 1, 3, 4, and 5 propose to amend three terms defined in the bill's interpretation clause with respect to the broadcasting, program and radio waves and to remove a subclause clarifying the meaning to be given to other means of telecommunication as it appears in the definition of broadcasting. These defini-

tions are crucial to the bill since they serve to define the scope and range of activities which it governs.

First, it is important to know that the definitions are interrelated in that the definition of broadcasting is limited by its inclusion of the terms program and radio waves. This limitation is as intended.

Technological developments have broadened the range and types of information services that can be delivered to the home over telephone wires, by cable and fibre to television screens. Many of these services cannot properly be called broadcasting, and those services should not be regulated under this bill. This legislation is not about information services, which are different in nature from broadcasting. The law must be clear on that point.

On the one hand, this bill is about television programs and radio programs. We want to assure that these activities are regulated because they are cultural in nature and they provide a public service essential to the maintenance and enhancement of national identity and cultural sovereignty.

• (1550)

On the other hand, there is quickly emerging a whole range of new information based services: interactive services, data base services and so on. These are mostly business services, weather services, shopping and real estate services, home security services and the like. These types of activities are not now regulated. The vast majority of these new services are not of a high cultural impact. The mere fact that they may be offered by way of a technology, which until recently has been used primarily for broadcasting, does not in our view constitute grounds for regulation.

The Broadcasting Act should not become an instrument for inhibiting the evolution of new information based services. It is for this reason that the bill has been devised in a technology neutral fashion, focusing on the activities to be regulated, rather than on the technology used for distribution.

That being said, it is important to note that the bill protects the integrity of the broadcasting system in two fundamental ways. First of all, distribution undertakings, such as cable companies, are required to give priority to the carriage of Canadian programming services and in particular to the carriage of local Canadian stations. Second, the CRTC is given express authority to require distribution undertakings to give priority to the carriage of broadcasting.

It has been claimed that the new definitions could give rise to jurisdictional battles over the regulation of broadcasting undertakings. Yet time and time again the courts have confirmed federal jurisdiction over broadcasting, and recently the Supreme Court confirmed federal jurisdiction over telecommunications. This bill does not jeopardize jurisdiction in any way.

This bill gives the CRTC clear guidelines about which activities are to be regulated as broadcasting. It also gives the commission the latitude it needs to determine how best to regulate undertakings which eventually become involved in both types of activities.

We cannot cling to outdated technological limitations as a basis for regulating a changing environment. The technologies used for broadcasting and telecommunications are converging and this trend appears to be inevitable.

We believe that it is entirely appropriate for legislation to state clearly how each of these distinct activities is to be regulated. We also believe that it is appropriate to have the same regulator govern both activities. The combined effect of amendments Nos. 1, 3, 4 and 5 would be to leave unchanged the wide definitions in the 1968 Broadcasting Act. That would sweep into the scope of the new act many new services which were not foreseen in 1968 and for which there is little or no basis for regulation, broadcasting style.

In the face of technological growth, this approach takes the attitude, "When in doubt regulate". We believe that such an approach is not in the best interest of Canadians.

In our view the new definitions in Bill C–40 provide a more credible and solid basis for the regulation of broadcasting, while at the same time encouraging the evolution of new and exciting information services and the economic development that they entail.

With regard to Motion No. 2, this is a technical amendment and it was brought to the government's attention during the committee study of this bill, that the new definition of the term "network" could be improved to ensure that it covers any arrangement where control over all or any part of the program schedule is delegated to another body. It was pointed out that the existing wording refers only to situations where this control is delegated to another undertaking. In fact, however, this

control can be delegated to a body not licensed as a broadcasting undertaking.

Upon further reflection the government concurred that amending the definition to include delegations of this type would more accurately reflect the realities of today's often complex corporate structures in the broadcasting system and accordingly, the government proposes that this amendment be made.

Finally, with regard to Motion No. 48, this motion proposes amendment of a clause which itself amends another piece of legislation. I am sure you are still with me, Mr. Speaker, the Radiocommunication Act. The purpose of the clause in general is to ensure that the new definitions in the broadcasting legislation line up with those in the Radiocommunication Act, since many enterprises must operate under both.

The Radiocommunication Act governs use of the airways for all kinds of purposes, including broadcasting and broadcasters are required to comply with technical standards established under this legislation before they can obtain a broadcasting licence under the Broadcasting Act. A number of changes were made to the Radiocommunication Act amendments at the committee stage. In the process of inserting these changes, the definition of radio wave, which does appear in the broadcasting definitions, was inadvertently repeated in this clause. This definition is not required here since the term "radio waves" is not used in the Radiocommunication Act. The effect of Motion No. 48 is to remove it.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I would like to pay tribute to the parliamentary secretary, who I think has done a yeoman's job, as have my colleague from Montreal and the gentleman from the New Democratic Party. I think all of them have worked very hard. If we have disagreements, which we do, it has nothing to do with personality.

I think the parliamentary secretary would like to leave us with the notion that all of this is very technical stuff. We are into a new broadcasting age, a new communication age, a new telecommunication age when all we are doing is changing definitions and updating the legislation which is all very technical stuff.

However, there is much more to it. Politics is involved. Let me explain. In *The Globe and Mail* just yesterday this government was described, and I usually do not subscribe to this particular columnist's opinion, but this columnist said that this was the most right wing government since R. B. Bennett. You would remember R. B. Bennett, wouldn't you, Mr. Speaker? Even I do. It was the most right wing government in the country.

When this government came to power six years ago it should have put out a shingle saying, "We are going to tear down the institutions of this country. We are going to put holes into the fabric of this country. Whatever was built up the last 40, 50 or 60 years, we are going to tear it down." We have seen it in spades all over.

It is found in this broadcast bill. The government is going to take the mandate of national unity away from the CBC. It is going to split the CBC board into two component parts, one for English and one for French. It is going to break the CRTC up into panels and make these panels into regional monsters. It is going to be wonderful for national unity. It is going to be great for governing this country.

It is already difficult to govern this country. This government is going to make it even worse. In fact, in a way, it has given up on governing the country. It would rather just give it to the market system and turn it over to the capitalists, or give it over to the multinationals, they can run the country better. If people believe that, I have swampland in Florida and I have fairy tales that will make one sleep at night for hours and hours.

Let us define broadcasting. What is the new Broadcasting Act going to do? It is going to balkanize the jurisdiction and services. It is going to split cable services with non-programming on one side and programming on the other. As my esteemed colleague from Montreal says, "What if you get this kind of split in cable services?" One is going to have home shopping on one side, along with real estate services and home security—that will all be very rich and profitable—then siphon off money from the other side, which will be programming.

Right? Is that the kind of situation that we want? I do not think so. We are going to balkanize the service and balkanize the jurisdiction.

The CRTC has, over the last number of years, developed a fairly good reputation as a strong national institution. Do we want to harm that institution? Do we want to weaken that institution? I do not think so.

I would like to interject with this. My hon. colleague from Montreal asked for some very germane information pertaining to this piece of legislation.

• (1600)

In fact, my esteemed colleague from Montreal asked for the legal opinions from the department. Mr. Speaker, you would not think that would be very difficult. You would think we would all want to be a little bit more enlightened. We never got them. We are still waiting.

Not only that, but my esteemed colleague from Montreal also filed an access to information request. Guess what? We are still waiting. The question is: What is the hon. parliamentary secretary hiding? What is the hon. Minister of Communications hiding? What is the government hiding? God only knows. When it comes to asking for some, what we would consider to be, legitimate information, the government is not forthcoming.

I think it is absolutely important. It is paramount in the country, particularly at this time, that we keep our national institutions strong and viable. If we do not, the country is going to be in a lot more trouble than it is right now. There are forces at work in the country, right now, right in the House. They would love to undermine the country. They would like to break the underpinnings of this nation. We find them all over the country and in almost every nook and cranny of every institution. We cannot succumb to that, because if we do, the country has not got long to last.

We spent a long time, over 100 years, building up a great country and strong institutions that bind the nation together. It is a huge country and sparsely populated. We need these ties and bonds to keep the country together and to help it grow in unity.

We do not see in this piece of legislation that that is being pursued. The strong central institutions that the country requires are not reflected in this piece of legislation. We do not see it in the new definition of broadcasting. We do not see it in the national unity mandate for the CBC. That mandate would be taken away. We do not see it in the splitting of CBC board of directors. We do not see it in Balkanizing the CRTC.

We think the government has made a serious mistake, a mis-step, if you wish. It is consistent with its ideology, but it is a serious mistake. We would submit that it go back to the original definition. It has served us well. There is no need to fiddle with this. It is risky. It is dangerous, and it will serve no good.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am pleased to have the opportunity to address the bill at this stage.

It is quite a comprehensive document. As the newly appointed critic for communications, arts and culture, I have had to burn the midnight oil to come up to speed on a lot of this, which amounts to a very technical and technological bill, to say the least.

My colleagues and I in the New Democratic caucus are certainly relieved to have this bill finally come back before the House. As my colleague, the member for Port Moody—Coquitlam, was pointing out earlier, this bill has been a long time coming. We have seen it at least partially presented in the last Parliament when it went through three readings in this House and finally to the Senate. Essentially, it died on the *Order Paper* in the Senate at that time.

Now, the bill in somewhat amended form was brought back to this House last November for initial debate and was stalled at that time because of the government's preoccupation with the whole Meech Lake fiasco. All of us in the New Democratic caucus feel very strongly that the country needs a revised and comprehensive Broadcasting Act.

The current act takes us way back to 1968 and much has happened, as we all know, since that time. We have been inundated with technological change and a technological revolution that has been taking place in the country over 10 or 12 years. We have seen the introduction and the very rapid growth of a cable industry that was almost unheard of at that time. There is a real need for a serious look at the legislation and a serious attempt to update and modernize the legislation in terms of today's technology.

The legislation we have before us, although it has some glitches and wrinkles we hope these amendments will be able to smooth out, is very, very critical for Canada, because broadcasting touches all of our lives. It does not matter what age we are at or where we are at in the country, broadcasting touches all of us just about every day. It is an extremely important tool for building a

consensus of identity in the country and for building a consensus for national unity in the country and, believe me, we certainly need a consensus on national unity at this point.

Broadcasting to the 1990s is really what railways were to Canada in the 1800s. It is a mechanism which binds the country together. It ties us together and it builds a family relationship from the east coast to the west coast. Broadcasting is essentially crucial to our democratic process.

Over half of Canadians say that broadcasting is their principal source of news and information, and over 95 per cent of Canadians are radio listeners. That is why, I submit to you, Mr. Speaker, this legislation is so critical and that is why we have taken very, very seriously, as opposition critics, our challenge to make sure that the legislation before the House at the moment is fine-tuned and honed, so that it can do the best job possible in light of technological changes today.

We are presenting 12 or so amendments at this stage, and there are a number of others which will be debated also. But these amendments can be grouped into four main themes or objectives in terms of what we see needs to be beefed up in the current legislation.

First, the Canadian Broadcasting Corporation, as my colleague pointed out earlier, is being both Meeched and leached. It is being leached in that it is being drained of the life blood needed for the corporation to do the kind of job that it is mandated to do. It needs the kind of funding that is not available through the current legislation. It is being Meeched in the terms that it is being divided, as was stated earlier, into two entities. Our amendments will try to strengthen the CBC mandate and to stop government steps which we feel are working to remove or water down the national unity concept that is part of this bill and, also, to split the CBC board into French and English units which we feel may be essentially counterproductive.

On the second front, the cable industry is really the big winner in this bill. Our amendments will hopefully present our position that the industry should be regulated as a carrier with rate of return legislation. Its ability to originate programs should also be limited, as should its—at this point, anyway—almost unrestricted ability to import foreign programming.

• (1610)

On a third front, Mr. Speaker, are the private broadcasters. In Canada, private television has not been doing the kind of job in terms of creating truly Canadian programming that it should be doing. It has not been fulfilling that very important mandate in terms of broadcasting as a tool for nation-building. It has been falling down in that area, and I think that there needs to be safeguards in this legislation to make sure that it does fulfil that mandate.

The fourth point is with regard to the CRTC. Through this legislation, the government essentially is threatening to compromise the independence of the commission which is very vital in terms of the issues facing the broadcasting industry in Canada today. In making this point, I hope that we will also be able to present reasons to be critical of the commission, to advocate the commission as it will be structured, and to advocate specific legislative remedies that we feel will give it the correct direction.

I know my time is limited, Mr. Speaker, but in terms of the motions before us, I want to speak specifically in regard to the first group of motions.

This group of amendments basically deals with the definition section within the bill. Motion Nos. 1, 4, and 5 deal basically with a possible threat to Canada's jurisdiction over broadcasting. Motion No. 3 is identical to the one that was presented by my colleague at the committee stage. It essentially opposes the government's measures to separate the services provided by broadcasters into programming and non-programming areas.

With respect to Motion Nos. 1, 4, and 5, I just want to read a comment made by the CRTC in a brief presented to the committee earlier. It states says that the new act may, through the definition of broadcasting, lead to a reopening of now judicially subtle federal-provincial disputes over broadcasting, stirring up old wounds and legal issues. We can see that some of the directions in which this bill takes us are clearly running us into some troubled waters.

I see my time is up, Mr. Speaker. As the debate unfolds, I will have opportunity to comment in more

detail on the many amendments are being presented by my colleagues, the member for Port Moody—Coquitlam, and the Liberal member for Mount Royal.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, we are at a time in our history when we almost seem to be going through a minor nervous breakdown in the country. There is so much depression out there. The economy is not working for us.

An hon. member: It's true.

Mr. Mills: Yes, it is true. It is pretty eerie. To spend a weekend in Toronto and then come back here is like being in two different countries.

Traditionally in this country, the Broadcasting Act has been an instrument of national unity. It has been an agent for galvanizing the will of the country. I cannot understand why the government wants to remove those words, especially at a time when we are all so fragile.

I think of situations that have happened in the country in the past when we decentralized certain activities of the national government to the province. Never once did the province take a pass on the responsibilities that we gave to them. They maintained those powers and they exercised them with all of the resources that they have.

What concerns me is when we take a broadcast bill, such as Bill C-40, and remove the words "for the promotion of national unity", we are going to have jurisdictional disputes. Suddenly we will have a situation where the Government of Canada will have a particular point of view on an issue and a particular province will have its own definition of what its priority objective is all about. In a cultural objective, whose will is going to reign supreme? Is it going to be the national will? Or will the national will be subservient to the provincial definition?

I am very nervous because there are broadcasting situations that are evolving right now where the regulator is telling broadcasters that their English-French component of music, say, will be 60 per cent English and 40 per cent francophone. After two or three months the owners of the radio station will come back to the regulator, the CRTC, and they will say: "I can't make a go of it with 60 per cent English. I need 90 per cent French and 10 per cent English." But the regulator will say: "Well, I am sorry. We are the ones that give this definition."

The next thing we know, we are going to be in the Supreme Court where we are going to have the national regulator, the CRTC, going to court with a provincially operated jurisdiction. The CRTC's traditional role has been through the Broadcasting Act to be concerned for the national good and national unity.

Under this new formula the provincial jurisdiction, I believe, has a valid case, because we are really saying in this act that it is the provincial cultural thrust that we must become more extremely sensitized to. Once precedent is set, Mr. Speaker, in a court like this that, we will ultimately have a situation where there will be eight or ten different cultural ghettos all across the country, The CRTC will have absolutely no ability to regulate a national thread or a national will. It will have no ability to drop the hammer and say: "Look, there are things that are good in Halifax that are good in Toronto, and that are good in Vancouver." In other words, the commonness that makes us good will no longer be there and no longer can be regulated.

Because of the very special power that the Broadcasting Act has, whether it is cable, television, or radio, I think we are really putting ourselves into a very precarious situation by not putting up a very strong objection to the words "national unity" being removed from this bill.

Ms. Mary Clancy (Halifax): Mr. Speaker, I am delighted to rise today to speak in support of the Liberal motions, particularly those motions that relate to the question of the CBC and broadcasting remaining in the federal jurisdiction.

What we are talking about here is a question of national unity. We are talking about an instrument of national unity, a tradition of national unity, and an institution that Canadians have looked upon since its invention as an instrument of national unity.

Later in these motions there will be specific references made to withdrawing the term that calls for the CBC to be an instrument of national unity from the Broadcast Act. I consider that, and I know that millions of Canadians would agree, to be a travesty. I consider it to be a form of sale of our birth right.

• (1620)

I remember 15 years ago, the first time I left Halifax and moved to British Columbia in my first job after I finished university, being particularly home sick, even though the west coast is a lovely place. I can remember listening to CBC with even more of a fervour than I did at home because it reminded me on a daily basis that this was one country from coast to coast. Listening to the news, *The World at Eight* every morning, listening to *As it Happens* every night at six, hearing the same voices giving the same news items, the same stories, the same programming right across the country was a reassuring event.

Along with that, before I left the maritimes to go to the west coast, I had been in graduate school in Great Britain. I can tell you again that the Canadians would stay up until all hours to get Radio Canada International to hear our own news, to listen to hockey games, to keep our contacts with our own sense of Canadianism that Canadian broadcasting has always given us.

For my generation, the post-war baby boom generation, we began with radio and we set wave into television. Again, I remember things that reinforced my sense of Canadianism that came from the various broadcasting institutions of this country.

I remember as a small child watching a program about children in Winnipeg. That is a city that I would not visit until I was in my late twenties, but when I got there I recognized Golden Boy, and I knew how cold it was on the corner of Portage and Main in the winter.

I look at what this bill will do to this institution of Canadian unity. I am sad and I am shocked. I look at the various things that this government wants to do and I see it as part of the pattern that we have all been forced to live with since this government was unfortunately re-elected in 1988. What we see is a wholesale destruction of Canadian institutions.

One of the other things I look at here is the separation of the CBC board into two standing committees; one in English, one in French. That is really Canadian apartheid. We sit here today, knowing that our whole future constitutionally as Canadians is in difficulty, to understate the case, in jeopardy, not to overstate it. Instead of ensuring the ongoing health and welfare of an institution that can be a major force for Canadian unity, we are again trying to divide and compromise this nation.

We have to listen to each other in every region and every province. One of the best ways for listening to each other is through the use of our broadcast institutions and in particular, from my point of view, through the use of the Canadian Broadcasting Corporation.

When the Caplan-Sauvageau committee recommended the removal of the term "a force for Canadian unity" from the Broadcasting Act, they made a mistake. They made a mistake so grievous in nature that we are all going to be living with its ramifications for a long time to come. One of the things they said was that they felt that the use of the CBC, or using those terms as a force for Canadian unity, would hinder programming that could reflect the multicultural aspects of Canada, a linguistic duality, and so on. Mr. Speaker, where I come from in the province of Nova Scotia, they would have hard terms for that. The best way I can put it is to say that it is a lot of codswallop.

Why should we think that being a force for Canadian unity will diminish anyone else? Why did our ancestors come here? Why did we come here, in the case of some of our members that sit in the House? Why do people want to live in Canada? Because it is a wonderful country, because it is a diverse country, because it has all these bizarre and strange regional poles and pushes, and because we spent a great deal of our time contemplating our differences as opposed to thanking God for our blessings. But, people love this country in every single province, and they love it through their national institutions. They do not need to be told that being in favour of Canadian unity and pushing for Canadian unity is going to somehow diminish them as members of their own particular cultural groups. I cannot see how anyone could possibly make a case for that at the best of times.

I remember a long time ago being at a meeting of young people in Nova Scotia and a young man from the highlands of Cape Breton was discussing with another young man, who was the son of new Canadians. He had been born in Canada but his parents had come from western Europe. The young man of Scottish descent, in the accent that I will not attempt to reproduce, but it is a beautiful Cape Breton accent—it is very much like my colleague from Dartmouth actually—said: "If you want to know how to preserve your culture, come to us in Cape Breton and we will show you". It is very true. With regard to the Cape Breton culture, in the words of that very famous, and justly so, son of Cape Breton, Hugh

MacLellan, the incidence of the kilt in Cape Breton arose commensurately with the incidence of the tourist. But Scottish culture in Cape Breton is strong, and one of the reasons it is strong is the CBC policy for Gaelic programming on a weekly basis on CBC Radio in Sydney.

The CBC was a great force in creating the Department of Celtic Studies at St. Francis Xavier University, with which some people even on the other side of the House have more than a nodding acquaintance.

In closing, let me merely say that it is stuff and nonsense to suggest that being a force for Canadian unity could possibly hinder any Canadian's development, self-expression or cultural wholeness. The federal jurisdiction must be maintained if the CBC and broadcasting in Canada is to retain the moral authority that it should have and if Canada is to have a way to speak, and Canadians are to have a way to speak to each other for the rest of what could be a wonderful future.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to take advantage of the opportunity to speak briefly about Bill C-40.

Let me just say, in listening to the eloquent words of my colleagues, the hon. member for Mount Royal, the hon. member for Halifax, the hon. member for Broadview—Greenwood, and others who have spoken about their concerns for national unity, the implications for national unity, and the implications for federal jurisdiction as a consequence of the passage of this bill as proposed, it strikes me as incredibly ironic that today we, in Parliament, have been given notice that the government will shortly put forward a motion for consideration by Parliament a federal initiative to deal with the question of constitutional renewal in Canada.

• (1630)

We are told that tomorrow the Prime Minister will speak to the House on that subject, that there is on the part of the government a recognition that in the vacuum of leadership that has been the reality here in Ottawa *vis-à-vis* the Constitution and post Meech Lake, that there is in the country an exercise in Quebec that is now under way.

There is an exercise in the maritimes under way. There may be one beginning in Ontario. The western premiers are doing their thing with respect to the future of the country. Suddenly, there is an understanding that the country cannot be defined from the perspective of a particular region or province. It has to be defined in the place and from the jurisdiction where every voice and every region is represented and where true consensus can be found, the Parliament of Canada.

The Prime Minister says: "Tomorrow, I put down a motion and tomorrow I, the Prime Minister, begin the debate." How ironic that against that backdrop, that recognition that the country more than ever is Balkanized, divided, needs national institutions, against that backdrop today before us in the House is a bill having to do with the future of broadcasting in Canada which contributes to the Balkanization of Canada that has given rise to the need to have a debate starting tomorrow.

That is why members of the opposition, my colleague the critic and member for Mount Royal, will be proposing so many important amendments to this broadcasting bill. I tell you this bill as drafted and as it sits is not acceptable to my colleague. It is not acceptable to the Liberal Party, because this bill is not a contributor to the kind of solution the Prime Minister says he wants for the deep division and wounds that have scarred the soul of Canada. It does not contribute to healing.

It contributes to further division. We make a plea to members opposite to understand this is not just a parliamentary exercise. This is not a critic undertaking her responsibility to examine a bill and to make some proposals so we can say at the end of the day: "We did our job." This is a heartfelt plea to understand the consequence and the importance of broadcasting in Canada.

Fundamentally, Mr. Speaker, when you strip away the institutions, when you privatize the Petro-Canadas, the Air Canadas, the post office, when you take down the federal flag in the smallest community in the last point on the east coast of Newfoundland, the only mirror and symbol of the nation that is left is the ability through the

CBC to come into the hearts and homes of Canadians no matter where they live and to hold up the mirror no matter where they live in Canadian society. That is what the CBC is, a huge mirror.

Sometimes it tilts on the Atlantic. Sometimes it tilts on Quebec. Other days Ontario and sometimes, the west. It reflects ourselves back at us. We do not always like what we see. We do not always even agree with what we see, but it is a focus on Canada. It is a mandate that includes the concept and the responsibility to contribute to national unity.

Do you know what, Mr. Speaker? My riding is in the great northern peninsula of Newfoundland: Port au Choix, Cook's Harbour, Croque, Griguet or Harbour Deep, a place you can only reach by boat or by airplane. Only 200 souls live in Harbour Deep.

There is no Global, because there is no advertising revenue. There is no CTV—I do not blame them—because there is no advertising revenue. There is no cable television—I do not blame them—because there is no advertising revenue.

Harbour Deep is connected with its country. It is connected with Canada. There is no post office there anymore either. It is connected with Canada, because it receives the CBC. Why does it receive the CBC? Because the CBC is mandated to be there. Cynics could suggest this bill is the first step on the road to privatization of the CBC.

We hear those who do not understand Canada, who have never seen beyond the concrete and glass towers of our large and sometimes beautiful and wonderful urban centres that there is another Canada. They talk about the CBC budget of $1.3 billion. They say: "Look at CTV. Look at how much cheaper it is. Look at Global. Look at the American networks. Look at cable. What do we have the CBC for? We can put junk programming in front of our children and the families of this nation without the CBC" but, Mr. Speaker, none of them will be found in the smaller communities of this nation. None of them will turn the mirror and reflect this country back to the Canadians who live in the rural communities of this nation, in our north, in the west, in the Atlantic, in northern Ontario, and northern Quebec. None of them will be present, or have the mandate to be present, and more important—and this is most important—none of the other networks will reflect those tiny communities back to Toronto, Montreal, Vancouver, or Ottawa.

That is the nature of the institution that is CBC. That is the importance of it, giving the country an opportunity to understand itself, to share each other's problem and potential, to share each other's joy, each other's culture, and language, and song, and tradition, and history, and aspirations.

This bill is not a regulatory exercise, a tinker here, and a tinker there. It is not a response to a private sector whose mandate is the bottom line.

The airwaves do not belong to the shareholders of a private concern. They belong to me. They belong to 26 million Canadians no matter where they live and they are held in trust by the government, by the Minister of Communications on behalf of 26 million Canadians who own the airwaves, and the government has to exercise that trust on behalf of all Canadians with care.

I say again at a time when already in this country we increasingly reflect almost a modern-day tower of Babylon, where people are speaking in every region, each with a different message, speaking at each other but not to each other, making noise but not listening. The nature of the broadcasting régime in Canada becomes very important. What is particularly important is the nature of the CBC.

The fabric of this country is rendered, it is torn, it is held only in this day of great cynicism and as my friend from Broadview—Greenwood said, great depression, by a few threads. Some of those threads, are the CBC. We sever them at our peril.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I only want to speak two or three minutes. It is not my intention to delay the vote on this particular motion which I hope will take place in two or three minutes.

I did want to take the opportunity to congratulate the previous speaker because he spoke of something which is important in my part of the country as well. I think it is important for all of us.

I also want to take a brief moment to congratulate the member for Mount Royal for her efforts in improving the proposals of the government in this regard. The member for Mount Royal is quite expert on such issues and she has acquired a reputation here on Parliament Hill in terms of her knowledge of communications, the arts, and culture.

I want the House to know how important it is for us as a country to continue to have a good and viable national broadcasting system. The member for Humber—St.

Barbe—Baie Verte said eloquently some moments ago that in certain parts of this country it is indeed difficult to have access to programming other than what is produced by the CBC. Of course he was referring to Canadian programming.

In some communities it goes beyond that because in fact you either get that or nothing at all.

• (1640)

Let us use as an example my own constituency in which, of course, programming is available even without the CBC. Some areas are well equipped with cable television. In other areas, not nearly so lucky, the major Canadian networks are generally available. I am referring to the commercial types.

What is important for us to remember, I feel, is that even for those areas that are well served by the private sector in terms of providing radio or television programming, it is economical for them to purchase their programming elsewhere, rather than produce their own. There is what I would call an almost irresistible temptation not to produce anything and simply to purchase it. When I refer to purchasing it—particularly in the English language—it all comes from the same place, that is of course south of the border.

[*Translation*]

The situation is somewhat different with French programming because we have two options. Programming is either produced here in Canada—mainly, but not exclusively, in Quebec—or imported from Europe, because our U.S. giant has yet to find an efficient way to produce French programming. However, even in that case, Mr. Speaker, there is an additional dimension. U.S. programming is purchased and a so-called voice-over is added, which means that what we hear is a Translation of the English version.

What we see in French and in English, but especially in English, is programming that makes our young people experts on Detroit or Miami, while they are incapable of telling us what Winnipeg, and in some cases Montreal or any number of other Canadian cities even look like.

[*English*]

That contributes to the lack of knowledge that we have of each other as Canadians, that the hon. member for Humber—St. Barbe—Baie Verte was referring to in his excellent discourse a few moments ago. The fact that we know through television cities in a different country and landscape in a different country far better than we know our own in Canada.

I had occasion not long ago to visit the constituency of Churchill in Manitoba, a place I had never been. I saw there something absolutely beautiful, something that 99 per cent of Canadians and probably even a greater percentage have never seen—possibly never will see—that beautiful tundra landscape and the land of the polar bears.

I had never seen that in television programming except for one day last year when the polar bears all went into the community of Churchill. It made *The National* that night. Three or four days later, most people did not remember that event. When I described my experience of having visited that community some weeks ago to my constituents, most of them did not remember that feature of roughly the same time last year on our national, publicly-owned television because, of course, it is something that only happened once, and we are not reminded of it.

Compare that to what I call the *Miami Vice* phenomenon, where the streets of Miami and other cities in south Florida are seen on a weekly basis on television simply because that is part of a regular program which is produced for a very vast audience in the United States and then is sold at a relatively low cost to Canadians because of the very low unit cost of producing it.

This has a dual problem for broadcasters because the program is relatively cheap to buy from elsewhere, and because it is seen on the cablevision channels on the U.S. side and transmitted here—it is available to U.S. channels anyway—it gives the broadcasters two reasons to show them to us on our Canadian television stations and networks.

The point I am making is that there is a tremendous need for us as Canadians to realize how precious our institutions are and how important it is for us to cherish them and to try to improve them. From time to time members of this House are critical of the CBC. They will say that their leader or themselves or someone else did not get favourable coverage, the CBC costs a lot to maintain anyway and so on, therefore why do we have it. It goes beyond whether or not on a particular day one of us got good or bad television coverage on the news. It

goes more to the proposition that we need that institution for our national unity.

We need the CBC and public broadcasting generally, that includes TV Ontario and others as well. We need them as an instrument of national unity. We need them at a time, that again was described by my colleague, when we see the flag of Canada on the post office being removed. We need that at a time when other instruments of national unity are being destroyed or privatized or altered by the government.

I say this to the government across the way, but I say it to all of us as parliamentarians, that we must do our utmost to cherish those institutions that have kept us together. These institutions are even more important in an age of advancing telecommunications, institutions that can contribute to keeping us together and united in the future.

[*Translation*]

I realize I may have taken up more than my intended two or three minutes, Mr. Speaker, but I did not intend to speak to all the motions. I simply wanted to inform the parliamentary secretary and other members that I consider these instruments to be very important and that I wish everybody would realize that we have the tools to help build our national unity. Safeguard it, improve it, but let's not do anything to diminish or destroy it.

[*English*]

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): I would just like to recap by saying a vote on Motion No. 1 will be applied to Motions Nos. 3, 4 and 5 and Motions Nos. 2 and 48 will be voted on separately.

The question is on Motion No. 1 standing in the name of the hon. member for Mount Royal. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next question is on Motion No. 2 standing in the name of the parliamentary secretary. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it. I declare the motion carried.

An hon. member: On division.

Motion No. 2 agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 48 standing in the name of the parliamentary secretary. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion No. 48 agreed to.

• (1650)

The Acting Speaker (Mr. Paproski): Point of order, the hon. parliamentary secretary.

Mr. Edwards: Mr. Speaker, normally at this point we would be proceeding to Motion No. 6. I think you will find that there is consent to delay consideration of Motion No. 6 until after we have dealt with the next

cluster of motions in order to accommodate the hon. member for Beaches—Woodbine.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): We will proceed with Motions Nos. 8, 9, and 10, which are grouped for debate. A vote on Motion No. 8 will be applied to Motion No. 10. Motion No. 9 will be voted on separately.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 8

That Bill C-40 be amended in Clause 3 by striking out lines 18 and 19 at page 4 and substituting the following therefor:

"provide programming that is predominantly Canadian, using predominantly Canadian crea-".

Mr. Ian Waddell (Port Moody—Coquitlam) moved:

Motion No. 9

That Bill C-40 be amended in Clause 3 by striking out line 21 at page 4 and substituting the following therefor:

"and presentation of programming, in particular in the prime viewing hours between 19:00 and 23:00 hours on television, unless".

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 10

That Bill C-40 be amended in Clause 3 by adding immediately after line 5 at page 5 the following:

"(vi) provide a reasonable opportunity for the public to view the productions of Canada's autonomous public film producer and distributor, the National Film Board of Canada;".

She said: Mr. Speaker, one of the interesting aspects of having worked so closely with the parliamentary secretary, with the member for Port Moody—Coquitlam and my other colleagues in this House, has been the sense of putting aside ideological differences as we examined the Caplan-Sauvageau report minutely. We came up with recommendations that jointly we felt were in the best interests of Canada and the Canadian broadcasting system, whether it be the public or private sector or the educational or community sector. We were all very aware of the sensitivity and the impact that this particular medium has on the way of life of all Canadians and its impact on children, in particular.

I remember when we were at Meech Lake for the decisions as to how we were going to deal with these various amendments and suggestions that had been so carefully considered by Caplan-Sauvageau. One of them related to the predominantly Canadian content of our television system. When one turns on the television set, one has to ask a question. How much of what we are watching is Canadian and how much do people realize is not Canadian? When your children think that Rambo is a great Canadian hero, we must ask ourselves some questions. It is really serious when it gets to the point when they do not know whether Ronald Reagan was the president of Canada or the President of the United States and Mr. Mulroney was busy singing and dancing with Irish eyes a' twinkling. It is a serious matter that this Conservative government ought to take into consideration.

The future of who we are and what we will be is what is going to come through on this very pervasive medium. The committee determined that television should be predominantly Canadian, in terms of the hardware, the lights, the camera and the action, but also in terms of the software, or the intellectual material that was going to be included on our screens.

What was important was that our writers, books and scripts would see the light of day and that our singers and songwriters voices would be heard and that we would have our actors and our actresses on the stage and screen. They would not be there in exclusivity because Canadians do not live in a narrow, confined world.

Canadians are globetrotters, Canadians are producers of all kinds of wonderful material that can compete anywhere in the world, whether it is in the field of song, dance, literature, music, we are wonderfully competitive. But we need access to the medium so we can produce and control some of the distribution of these things, so we can have the materials that will allow us to have a predominantly Canadian presence.

In a world where we watch television as our major leisure activity, where we spend more than 24 hours a week before our TV set, and our Canadian children spend more than 1,000 hours watching television as compared to only 800 hours in school—and sometimes I wonder what they learn in school because what they bring home as values is what they see on that screen—if we do not stop to consider the Canadian way of life, a less violent way of life, a more accommodating way of life, a highly multicultural, multiracial way of life, which has respect for diversity, respect for cultural differences, respect for linguistic differences and the promotion of those values, then how do we expect our children from east to west to maintain that difference on the global

map if we do not include predominant Canadian material?

While 95 per cent of Canadians listen to radio, they hear an awful lot more Canadian content material than they do on their television sets. Seventy-one per cent of all programs viewed by Canadians on English television are primarily American. What does that do to our thinking? What does that do to our vision of ourselves, our pride of self, our heritage, the development of our own heroes? Ninety-seven per cent of our screen time is made up with foreign, primarily American material. It is big business. It is billions and billions and billions of dollars of business. Well, let's keep a few of those billions here and use them to promote Canadian content.

Seventy-five per cent of our book market, 71 per cent of our periodical market, consists of imported foreign products.

[*Translation*]

I wish we could have a measure of protection the way we have in French, even it is not 100 per cent, which of course we would prefer, but at least in French we have some measure of protection and we are proud to be Quebecers, Canadians, French Canadians, because of the quality programming that is produced right here.

[*English*]

We on the English speaking side are so busy trying to be the American dream because we think that we can market that product, which is really a camouflaged American product, not as first class but as second class, and the minute Canadians produce first class programming and Canadians fall in love and understand the nature of the program produced, all of a sudden, we hit the Cannes Festival and we are very successful, we hit the Montreal Film Festival and we are very successful, we hit all international festivals and our products sell.

Mr. Speaker, I suggest to you that we need this amendment that I have brought in here that does not allow our cable companies and our broadcasters to weasel out and buy less expensive, not that they are less quality, but less expensive American programs, because they are trying to globalize the world of television and have that income flow to them.

More important, we have to be able to produce our own Canadian shows so that we can have access to top quality material. At the same time, I add my voice to that of the National Film Board when they appeared before us. I cannot for the life of me understand why this government is not prepared to accept the National Film Board's material as a partner in the development of this Canadian content, they have won more Oscars, more international awards than any other agency in this country, or any private sector. We should be so impressed with its accomplishments, particularly in the women's field where Studio D has won international acclaim. I cannot understand why the government is so stubborn that it cannot take an opposition motion that makes good solid sense and include it in this bill so we can have a better made-in-Canada operation. That is the goal of the Canadian broadcasting bill, to have a Canadian broadcasting system.

• (1700)

I will take just a couple more minutes to indicate to you, Mr. Speaker, that I would sincerely hope that the government will change its mind and include the National Film Board, with its thousands of wonderful creative programs that look at all the issues that are important to Canada and to Canadians, seen through Canadian eyes, written about by Canadian writers, and add that in the distribution to our screen.

I would call on the government to show an openness of mind and spirit and to accept "predominantly Canadian" which it accepted itself at a unanimously tabled document by the Standing Committee on Communications and Culture.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I would like to speak on behalf of the New Democratic Party on this group of amendments. Motions Nos. 8, 9, and 10 are grouped for debate.

Motion No. 8 is the motion of the member for Mount Royal to whom I should also pay tribute for her great work in this area over a number of years. She has been on the communications committee longer than I was and has done a lot of work on this matter.

Having said that I would point out, with a bit of a twinkle in my eye, that my Motion No. 9 is a little bit more specific than her motion. Her motion would substitute:

"provide programming that is predominantly Canadian, using predominantly Canadian crea–"

My amendment states:

"and presentation of programming, in particular in prime viewing time between 19:00 and 23:00 hours on television, unless"

Here is the problem that has been pointed out by all sorts of committees. Canadian television stations, both public and private, but especially private, are not producing enough Canadian content, enough Canadian drama, good Canadian programs. They are making progress, partly through what we as MPs have been doing telling them in committee, but they have not been producing the kind of programming that is necessary. Let me say a little bit about that.

The amendment deals with the amount of Canadian content presented in prime time—that is what we are concerned about—by private broadcasters. At present the rule states that 60 per cent of Canadian programming is required in an 18–hour broadcast day, from 6 a.m. to 1 a.m., calculated over a year. That is the rule.

In the evening, 6 p.m. to 12 p.m.—notice that broad time— public networks must present 60 per cent Canadian content and private broadcasters must present 50 per cent. The problem lies in the definition of prime time.

In television circles, in the industry, the real prime time is between 7 p.m. and 11 p.m. I see the member for Hamilton—Wentworth over there. He knows this area very well and I think he would concur with what I am saying. The CRTC's definition has effectively allowed private television to get around its obligations by providing news between 6 p.m. and 7 p.m. and 11 p.m. and 12 p.m. People who are watching this in British Columbia, my home province, know that B.C.–TV news, for example, is big between 6 p.m. and 7 p.m. and 11 p.m. and 12 p.m.

In the remaining four hours, only 25 per cent Canadian content is needed on average to meet this requirement. The result is American sitcoms. There are a lot of them on private stations, and not Canadian drama. Moreover, the reporting periods for measuring Canadian content have been changed from the CRTC from monthly to quarterly to annually. This has allowed private broadcasters to dump much of the Canadian content in the summer months, so it is even worse.

Let us look at drama, because this is the real domination. I will just give some examples. We looked at this. From 6 a.m. to 2 a.m. viewing, it was 30 per cent Canadian and 68 per cent U.S and for 7 p.m. to 11 p.m., it was 24 per cent Canadian and 74 per cent U.S. By programming type it was, for the news, 92 per cent Canadian and 8 per cent foreign. So Canadians are watching Canadian news. For public affairs, it was 68 per cent Canadian and 32 per cent foreign. When it gets down to drama, it is 4 per cent Canadian and 96 per cent foreign. That is where it really shows up.

For the average anglophone teenager, 80 per cent of their viewing time is spent watching foreign programs.

[*Translation*]

I see my friend and colleague, the NDP member for Quebec. In Quebec, for Francophones, for young Francophones, it is 50 per cent.

[*English*]

Francophone teenagers spend 50 per cent of their viewing time watching foreign programming. For young people particularly, and Canadians generally, when it comes to movies and drama, it is 4 per cent Canadian and 97 per cent foreign. In terms of variety, music and quizzes, it is 22 per cent Canadian and 78 per cent foreign. This is an area that we have to make progress in.

According to the task force on broadcasting, of the 52,000 hours of English television programming available to the average Canadian family, barely 370 hours are Canadian drama. That is 370 hours out of 5,200 hours. In French language television, it is 27,000 hours. That is a bit better, but it is 630 hours of Canadian drama. Ninety–eight per cent of all drama on English television is foreign. You can see the problem. Every report on broadcasting in recent years has agreed that the private sector is not doing its job in producing Canadian programming.

I am not naive, Mr. Speaker. I know how difficult it is to produce Canadian programming and how much more expensive it is to produce a half hour of Canadian drama as opposed to buying *Dallas* or *MASH* or some other American program. One has to sympathize, but one also has to say to Canadian private broadcasters: "Come on. You've got to do better. You've got to do more. You are making good money from the airwaves, you've got to produce more drama."

Gerry Caplan, testifying before a House committee said:

> We have a broadcasting system that, when most Canadians are watching it each night, feeds them a daily diet of predominantly, indeed overwhelmingly American programming in the name of meeting the objectives of the Broadcast Act.

The Standing Committee on Communications and Culture, which my friend, the parliamentary secretary, chaired, stated:

> The Committee considers it evident that private television has been making an insufficient contribution—The private sector is earning 50 per cent return on investment.

The brief of ACTRA also suggested that there were good profits, but not enough Canadian content.

The government's response to the private sector, which in television especially is making significant profits using the public airways and yet not doing its job in producing Canadian programs, is minimal. They have ignored the task force in broadcasting which called for 45 per cent Canadian content between 7 and 11 p.m. The only response in this bill is found in clause 11 where the government proposes to the CRTC the possibility of a performance incentive. It laid out how that scheme would work in their policy document, *Canadian Voices, Canadian Choices*, which it tabled with the bill.

There has not been a single witness before the legislative committee on either one of these two bills who thinks this scheme will work. Not the unions, not ACTRA or CUPE, not the private sector, Western International Communications, Canadian Association of Broadcasters, and so on—and not the commission. Nobody. At best, they all said it would be little more than a licensing fee.

We have a scheme here. I will call it performance incentive. No one supports it, but it is still in the bill. My amendment here would specifically in this timeframe require a percentage of Canadian content. I suggest that is the way to go.

• (1710)

The motion is also necessary because the commission has refused to get tough with the private sector on content issues. Despite this appalling record of promises broken, the condition of licence is not lived up to by private broadcasters. I challenge anyone to find a private sector broadcaster whose licence has been revoked by the CRTC. There is not one.

The Standing Committee on Communications and Culture doubted the commission would ever revoke a licence. It stated: "We do not believe that the commission will in fact suspend the licence of a network broadcaster". This is why we need an explicit direction in this legislation.

This amendment reflects the spirit of many briefs to the legislative committee and the Caplan–Sauvageau report. If private broadcasters are forced to present Canadian programs in prime time, they will have no choice in my view but to produce quality programs in order to gain advertising revenue. This is the thrust of this amendment. I think members should support it.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am pleased to stand today to address the proposed amendments to the broadcast bill, Bill C–40, specifically the predominantly Canadian content and the role of the National Film Board. The predominantly Canadian content and an important role for the National Film Board are the two critical issues.

Before I get into a precise argument with respect to those amendments, I do want to point out that I obviously have a number of other concerns about this bill. I am quite certain that the new definition will be challenged and clearly the most important question being raised is whether or not there will be a federal role for communications as a result of what is happening.

There is concern as well with the regionalization of services and whether or not there will be a number of fiefdoms that will created that will further weaken the country. Those are concerns that need to be raised because they are clearly extremely legitimate.

The whole notion of separating the English and the French is one where I have personally mixed feelings because clearly I would have believed and I wanted to believe, if there was one level of government that could have institutions where those two groups could work in harmony together and synergize, it would be at the federal level. I suspect that this is probably being done because there is some unhappiness. There is something at work there that is not positive at this particular point in time, otherwise it would not be doing it.

I have another concern that is related to that one. If that happens, as is proposed, how will this contribute to a possible new definition of Canada? Will it go a long way toward defining Canada as two solitudes, an English one and a French one? With respect to the French one, are we going to be primarily concerned about the French in Quebec as we ought to be to a significant degree by virtue of the numbers there? Are we going to abandon, or forget, or be less sensitive to *les francophones hors Québec*?

[*Translation*]

Why more Canadian content and why involve the National Film Board of Canada?

[*English*]

I want to look at the power of the media, the power of television and radio. We know that we need information on an increasingly regular and important basis. We recognize that our attitudes are formed by the knowledge and the information that we receive. We know as well that it is important to have Canadian information, Canadian content so that we can form attitudes about ourselves as Canadians, about the role that we occupy in this world in juxtaposition to other countries, and about the kind of economic, social and cultural development that we want for our nation. Where do we want to go as a nation?

Clearly, those are the kinds of questions that we are going to be exposed to by television and radio. Clearly, if the content, the attitudes, and the values are Canadian, that is going to be extremely helpful. If it were not, what kinds of conclusions are we going to reach? We need to talk to each other, as many of my colleagues have said. We need to recognize that we have important regions, such as the province of Quebec, the province of Ontario, the Atlantic provinces, our western provinces, and our great north. Will this contribute to helping us to reach out and to talk to each other? Will this kind of orientation that we are taking now prevent us from realizing the true nature of Canada, not only with regard to these five regions of which I speak, but our aboriginal people. Clearly, our aboriginal people are unique in many ways to the country. We have an important French language population. It is roughly 7 million Canadians. We have a number of important people who come from groups other than aboriginal, French, or English. Clearly we also have the majority group, the English. Will this bill really contribute to identifying those particularly unique groups, and let us talk together and build a stronger nation? Those are questions that are a real concern to me.

One of my colleagues mentioned this particular institution, the CBC, and communications, in general, as potential instruments to national unity. It can be if it is handled appropriately, but will it be?

Why is it that we, as politicians, are often anxious to get in front of the camera and to be listened to on the radio? It is because we recognize the power of the media. We recognize what radio and television can do for us, for our parties, and for our ideas. If it can do that for us, it can do a lot for the country. Let us review some of the facts that some of our colleagues have shared. They are important because they emphasize and corroborate the points that I am making with respect to the power of the media.

Children watch roughly 1,000 hours of television, roughly the same amount of time that they spend in school and perhaps a bit more. Ninety-five per cent of Canadians listen to the radio 18 hours a week. That is almost as much time listening to the radio. Fifty per cent of Canadians use as a principle source of information, radio and television; 75 per cent of our books now used and read are non-Canadian; 70 per cent of our periodicals are foreign; and adult Canadians who listen to English language television and radio are listening to 70 per cent non-Canadian content.

These are really very powerful facts that speak to this dimension that we are trying to discuss today. That is, the need to have additional Canadian content and to involve the National Film Board which is a unique instrument to speak eloquently about some of the specific and particular features of our nation.

We need news and programs which are Canadian based and which have Canadian values. We want our own performers. We want to see them, encourage them, and develop them. Let us recognize that within that whole industry, there are important jobs for Canadians. If I have a choice, and without wanting to take anything away from anybody, I would want Canadians to get special and preferential treatment in this particular area.

[*Translation*]

Mr. Speaker, as I just said, this bill is less than perfect in a number of ways. First of all, there is a new definition I think will cause some serious trouble. The main question we must ask ourselves now is: will there always be a major role for the federal government in communications?

I also think that although regionalization may be positive, it can also have a negative impact. I am really afraid that if the country is divided into five regions, we will not communicate often enough and there will be major differences that will cause serious trouble in this country.

As I said earlier, as a Francophone by birth, as a French Canadian, I wonder, if the federal government does not have an institution where Anglophones and Francophones can work together in harmony and can both help to create a favourable climate for generating new ideas and stimulating creativity, what level of government will be able to do that and how Francophones outside Quebec will be treated if we go ahead with this bill.

• (1720)

[*English*]

I notice that I am coming to the end of my time, and I shall terminate with one comment.

Some people would say—I do not say it unkindly—that this fits "the Tory way". It is the dismantling of what we have known to be Canada. We have seen the dismantling of VIA Rail, Air Canada and the sale of Petro-Canada. Now, people are concerned as to whether or not this will lead to privatization, whether or not this will in fact be a continuation of the Tory vision of Canada. I hope not.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise to support these amendments.

The words "predominantly Canadian" should be words that make us very proud. In my previous life, in my normal life—all of us had a normal life before we came to this institution—

Mr. Boudria: Maybe this is incarnation.

Ms. Clancy: No. Same incarnation.

One of the things that I did was to work as an actress mostly on stage, but also on television and radio. It was not a full-time occupation. It was an avocation, but it gave me the opportunity to meet and to know some of the absolutely incredibly creative people who make up the world surrounding theatre, broadcasting, writing, producing and directing in this country.

As well, I spent four years doing political broadcasting on the CBC. That, too, introduced me to a wealth of people in the area of public affairs programming, again on the CBC.

Over the years, in the creative arts in Canada in particular, in the last 20 years we have seen a real sea of change for Canadians. Young people who wanted to write, act, produce and direct were no longer convinced that they had to leave here and go to the United States, not just to make a success but to make a living.

They were discovering that, because of rules relating to Canadian content, they could stay in Canada. Indeed, there were even people who had the temerity to set up television studios, to create television programs and do advertising, make films and so on in Nova Scotia. Imagine having a creative ability and being able to stay in the province of Nova Scotia to make a living. What a miraculous development this was for people with the creative urge.

I spoke before on the question of the federal jurisdiction and what it means to Canadian unity. I think the words "predominantly Canadian" relate more to a sense of Canadian self-knowledge and Canadian pride. I am sure that every one of us in this House has, at one time or another, listened to those wonderful radio programs on the CBC that deal with the antics of those of us who sit here in this Chamber.

I would bet that even when the barbs fly your way, Mr. Speaker, you would rather hear jokes relating to Canadian politicians than jokes relating to George Bush. You would rather hear satire based on the Canadian political experience than on the British, the American or whatever. I think those are givens for Canadian citizens.

More important, they form a basis of our Canadian identity and reality for our children so that they do not make all of their decisions and choices in life based on what is essentially a foreign culture.

In the early days of CBC television programming, again I remember—I am not going to get into the Winnipeg bit again because if I do I will only get heckled by my own side—the programs for children. I remember

Uncle Chichimus, for example, which was a puppet show that long predated—

Mr. Harvard: *Howdy-doody.*

Ms. Clancy: *Howdy-doody*, indeed, although that was a direct steal from the Americans.

I remember *Chez Helene* which for many Canadian anglophone children was the first place that they learned simple French words. They learned how to count in French. They learned the fact that there were two languages in this country, and it was a tremendous opening, a tremendous bridge between what my colleague from St. Boniface referred to as our two solitudes.

I want to refer very briefly to the amendment of my colleague from Port Moody—Coquitlam and say that we support this in our party as well, but we would remind the House that while it is important to have predominantly Canadian content in prime time viewing, it is important to keep Canadian content throughout the day in our television because children watch more than just prime time. Women at home watch more than just prime time. Senior citizens watch more than just prime time.

It is absolutely essential that the majority of those programs continue to make use of the Canadian experience and Canadian creative ability. To waste that is really a scandal and a terrible misuse of the resources that we have in this country.

I want to say that we all know, as ACTRA has said, that Canada is a culturally occupied country. This is something that we were seeing turn around over the last 20 years. We were seeing a change, as I said before a see-change, in the attitudes of Canadians toward their own programming.

I remember very well 30 years ago if you saw something coming on that was supposedly a CBC production—well in Nova Scotia we did not have the cable channels that we have now. It was CBC or nothing as my colleague from Humber—St. Barbe—Baie Verte said.

Mr. Comuzzi: CTV.

Ms. Clancy: No, we did not get CTV until the mid-1960s. Thank you, my colleague from Thunder Bay.

We did not watch because we had been conditioned to think that if it was Canadian, it was somehow inferior. I believe that Canadians have been reconditioned. I am not saying that everything that gets produced in this country is good. Far from it. But let us have the opportunity to be good, to be mediocre, to be indifferent. Let us have the opportunity and let Canadian talent, Canadian ability, and Canadian creativity shape this cultural institution, shape what we and what our children will be watching on television.

I believe, and I suspect that most members of this House would agree with me, we might be quite a bit better. We certainly could not be a whole lot worse.

I also want to speak briefly on the whole question of the amendment relating to the National Film Board. The National Film Board is a treasure in this country, beyond counting. My colleague from Mount Royal talked about *Studio D* and some of the films that have been made by *Studio D*. One of the films, *Black Mother, Black Daughter* spoke eloquently to the situation relating to black women in my community of Halifax-Dartmouth where 95 per cent of the indigenous black population of Canada live. This is also the same studio that made the film *Not a Love Story* which is recognized world-wide as a major instrument in the fight against pornography and the fight against the stereotyping of women.

Along with that we have the wonderful film *Speaking our Piece* which brought Canadian women together with women in the Soviet Union in the quest for peace, and we have the equally wonderful film against nuclear proliferation called *If You Love this Planet*.

If the National Film Board is not to be included in this bill, I do not know where we are going and I do not know what has happened to the compass of the cultural fate of this country. It is clear that if we can leave the National Film Board out of the broadcast bill, if we can leave the National Film Board out of our future plans for the cultural enrichment of this country, for the cultural planning of this country, then our cultural ship is sinking.

• (1730)

The Acting Speaker (Mr. Paproski): Before I recognize the next speaker, a point of order by the hon. member for Calgary West, the Government Whip.

Mr. Hawkes: Mr. Speaker, I seek the unanimous consent of the House to revert to Presenting Reports from Committees, and I think you will find that that consent exists.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed, and so ordered.

ROUTINE PROCEEDINGS

[*English*]

STRIKING

FIFTY-SECOND REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fifty-second report of the Striking Committee, pursuant to Standing Order 113(1). This report deals with the membership of a legislative committee. Upon presentation, such reports are deemed adopted.

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

FIFTY-THIRD REPORT OF STRIKING COMMITTEE

Mr. Jim Hawkes (Calgary West): I also have the honour to present the fifty-third report of the striking committee which concerns the membership of the special committee on transport and if the House gives its consent, I move, seconded by the member for Glengarry—Prescott—Russell that the fifty-third report of the striking committee be concurred in.

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

Some hon. members: Agreed.

Motion agreed to

GOVERNMENT ORDERS

[*English*]

BROADCASTING ACT

MEASURE TO AMEND

The House resumed consideration of Bill C–40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radiocommunications, as reported (with amendments) from a legislative committee; and on Motions Nos. 8 and 10 of Mrs. Finestone (p.14956), and on Motion No. 9 of Mr. Waddell (p.14956).

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, in the cluster of motions that we are now debating is Motion No. 7, which can be summed up in one sentence. The amendment would require that not only the resources being used to create the programming be predominantly Canadian, but that the programming carried by broadcasters be predominantly Canadian.

What does that mean? It means that it is not only our desire to have producers, directors, writers, actors and actresses, all of them Canadian, but we also want to see in the final product a Canadian program on the screen. In other words, we want to see Canada on the screen. We want to see and experience our joys and wonders, our happiness, our controversies, our conflicts, our hurts, and our sorrows. We want to see literally the heart and soul of Canada on our television screens. That is what this proposed amendment is all about.

It is wonderful in terms of employment and creativity to have Canadians employed in the industry, and hopefully they are doing it for the Canadian market, not just for the world market, but Canadians have to feel that the final product is indeed Canadian and reflects their culture and their country.

That is why, for example, I hoped that the National Film Board would be written into Bill C–40, because as my colleague from Halifax said a few moments ago, the National Film Board is a treasure. It is one of the great Canadian institutions developed over a number of decades, and its product, its great works, should have access to our television screens, not only the CBC, but CTV and Global, all the independent stations. That is the way we should go. The National Film Board should be given that opportunity and access. Bill C–40 will not do anything for that.

It has been mentioned on a number of occasions how much we use radio and television in this country, how pervasive it is, how much we use it. For example, and this perhaps has already been pointed out, watching television is the number one leisure activity for Canadians. I am not sure whether that is a happy fact, but it is a fact. I can also tell you that we spend more than 24 hours each week, on average, in front of the television screen. I do not think that is a happy fact at all. Canadians would be better off with a more varied kind of leisure activity.

Spending that much time watching television is far too much.

Canadian children watch almost 1,000 hours of television compared to the 800 hours they spend in school. That is not good. Canadian children spend far too much time before television screens. However, having said that, even if we can be concerned about Canadians watching too much television, one would hope that at least the programs that they are watching would be Canadian in the main. That is not true.

It has already been said and pointed out on a number of occasions, and this quote is attributed to ACTRA, "that Canada is a culturally occupied country". It is so true. If we had visitors from another planet visiting this great country, I am sure that they would be shocked if they were told that 71 per cent of all programs viewed by Canadians on English television, are primarily American. I am quite sure that if our visitors from another planet were told that, they would say: "Are they crazy? Have they gone mad? This is a wonderful country." Yet, we allow this kind of thing to happen to us.

If we told our visitors from another planet that 97 per cent of screen time in Canadian cinemas is devoted to foreign material, primarily American movies, what would our visitors from another planet say? They would probably say: "Are they gone mad or are they absolutely crazy?" But it is a fact. What if we told our visitors from another planet that 75 per cent of our domestic book market and 71 per cent of our periodical market consists of imported foreign products. That is mostly American. What would they say? They would ask: "Have you gone crazy? Are you nuts?" That is what they would say.

Let me point out one more thing. What if they were told that 85 per cent of Canada's sale of records and tapes, manufactured in Canada, are from imported master tapes? If our visitors from another planet were told that, they would flip right out and would be asking if we were mad, crazy or nuts.

That is one of the sad parts of the Canadian story that we have not come to grips with. It is absolutely insane that we allow this kind of dumping of American programming into the Canadian market. It is not good for this country.

If it is looked at in a broader context, it really does not come as any surprise. We do this to ourselves all the time. For example, recently we had our government sell Air Canada, a proud national airline. It sold it off and is shameless for doing it. Now it is going to sell a part of Petro–Canada. If it had its own way, the whole lot would be sold tomorrow morning. The only window that we have, as a government and as a public policy instrument, on the petroleum industry, this Conservative government is going to get rid of, maybe not all at once but it is going to be sold. There is a lot more because it is all interconnected, it is all related. This is a government that decided we are going to share our energy resources with the Americans. Why, we will even go beyond using good business sense, even in a moment of deprivation, even if we were facing shortages. We will share our energy. We will share our natural gas. We will share our oil with the Americans. Not only that, it eviscerated the National Energy Board. It took the guts right out of it. It just pulled the entrails right out of the NEB and said, "When it comes to natural gas exports, it does not have to have any net benefit to Canada, not at all".

• (1740)

Let me get back to this bill. It seems to me that this bill does not serve the broadcasting system, it does not serve productions and it certainly does not serve increasing Canadian content on our television screens. I would have thought that this kind of an amendment would be quite acceptable.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I just want to put a few facts on the record in connection with this cluster of amendments. Just before doing it, I want to comment. The hon. member for Winnipeg St. James was alluding to people from Mars, which does not surprise me. I was reminded of the fact that the last time we had a man from Mars routine on radio in this country, which I believe was in 1938, the Canadian Radio Broadcasting Commission ruled that those political commercials, which they were at the time, which were voiced by Messrs. Aberhart and Manning, were improper. Questionable though they may have been in their content, fortunately that is not something that would happen today because we have a much more liberal interpretation of free speech.

The amendments that we have before us have been the subject of much debate during the consideration of both this present bill and its predecessor, Bill C–136. It replaces a reference in the current Broadcasting Act to

the effect that the programming provided by the Canadian broadcasting system should be of high standard, using predominantly Canadian creative and other resources. In other words, to meet the letter of the law at the moment, a broadcaster must have predominantly Canadian employees and spend Canadian money.

In Bill C-136 this provision was replaced with the following formulation: "Each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming making maximum use of Canadian creative and other resources". The application of Canadian resources was thus specifically tied to the production of Canadian programming. The word "predominant" was replaced with the word "maximum" clearly indicating that simple predominance would not suffice in circumstances where the broadcaster could do more.

The expression "in an appropriate manner" recognized the emergence of new services such as TV5 which have had as their *raison d'etat* the presentation of a large amount of non-Canadian programming for special audiences. A blanket requirement that all licensees present predominantly Canadian programming would eliminate such services from the Canadian broadcasting system.

Even this stronger wording was improved upon during committee study of Bill C-136 where the paragraph was replaced with the formulation now under consideration. The amended wording now reads: "Each broadcasting undertaking shall make maximum use and in no case less than predominant use of Canadian creative and other resources in the creation and presentation of programming unless the nature of the service provided by the undertaking, such as specialized content or format, or the use of languages other than French or English, renders that use impracticable, in which case the undertaking shall make the greatest practical use of those resources".

The formulation now in the legislation is identical to that passed by this House on September 28, 1988. Under the circumstances it is difficult to understand why one would wish to revert to language which does not compel broadcasters to do as much Canadian programming as possible.

As for the suggestion that a specific reference be included to ensure application of this standard to the presentation of programming in prime viewing hours, the paragraph as worded already encourages such an application. The CRTC is in the business of making regulations detailing the Canadian content requirements in prime time. With respect, Mr. Speaker, I think that is the proper approach.

The legislation sets out the general standard, and the regulator adds a further degree of specificity, taking into account changing industry viewing patterns and so on.

Who is to say that prime time, given sociological change during the life of this bill, might shift as indeed it has shifted in my lifetime. I recall that prime time radio hours were the evening when people would cluster around their radio sets in the family home. I remember that well, and I believe even my colleague from Mount Royal may remember it if she thinks back far enough.

The obligations in this legislation are already much more stringent than those they replace. In my view, the clause we are discussing will do the job it is intended to do, and no further amendments are necessary.

With regard to the amendment on the National Film Board, nothing in the current act or in this bill inhibits the National Film Board from finding broadcast windows for its productions. Indeed, many NFB productions suitable for broadcast have found broadcasters willing to present them.

Currently, NFB documentaries and dramas are often shown, for example, on Vision TV. Moreover, the board has coproduced prime time dramas with the CBC and with other broadcasters.

However, it is important to note that the NFB does not have a broadcasting mandate and is not required to present balanced views in its productions. In actual fact, most NFB productions reflect a strong point of view in the treatment of their subject. That is the nature of documentaries.

While this makes for provocative, stimulating and often award winning films, it does not always make programs suitable for broadcast. Indeed, a common problem that broadcasters have faced in considering NFB productions is the need to find and to set aside equal time for programs with opposing viewpoints.

Broadcasters are the persons licensed to make programming decisions. It would seriously undermine the accountability expected from broadcasters to authorize unlicensed entities, however worthy, and to make use of the broadcasting system as a legislatively mandated outlet for their work.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I also would like to support Motions Nos. 8 and 9 to amend this bill, especially because as a member from Quebec, I think it is extremely important to have Canadian content in CBC programming. However, I am prepared to go even further, Mr. Speaker. I think it is essential, if we agree that we should have Canadian content in our programming, to include in our programming policy a preference for a French news network that would broadcast on a continuous basis, what in English is called an all news network or all news programming. We don't have this yet in French. My French-speaking colleagues are no doubt aware of the fact that this kind of programming exists in English but not in French. And when we talk about Quebec as a distinct society, why is Quebec distinct? It is distinct because French is spoken, because we have a French culture, because our laws are different, being based on the Civil Code. That is why, when we are talking about content, we must provide a framework for this content in the form of an all news network in French.

I see here in the House some of my friends who are also former journalists with the electronic media, and they know very well that the general public is extremely interested in the news. That is why, the all news network, all news programming, is so popular among Anglophones. The News World Network is very popular, but in Quebec no such service exists. In other words, this type of service is extremely important.

However, there are other reasons why I feel Canadian content is important when setting up an all news network in French. Now that the government is adopting or imposing legislation to introduce the goods and services tax, better known as the GST, people will read fewer books, and some people have said that book sales will drop by 25 per cent. This means that if Canada has an illiteracy rate that varies between 25 and 28 per cent, more and more people will get their information from news broadcasts on radio and especially on television.

• (1750)

I entirely agree with the focus of Motions Nos. 8 and 9, which is to increase Canadian content, but I think this should start with an all-news network in French to meet the needs of Quebecers and French-speaking Canadians who want to know what is going on in the world and Canada, and want to hear it in French. This is very important.

Here again, Mr. Speaker, I must say that although I am in favour of Canadian content with an all-news network in French as a starting point, I feel some concern that the news may be biased and lack objectivity. Why? Because Radio-Canada may become compelled to act according to criteria that disturb me, and I am referring to the one about national unity we find in the bill.

I am all for national unity, and I imagine my colleagues are as well. We are all in favour of national unity. Members here in Ottawa are all in favour. As a former journalist, I worked for Radio-Canada in Quebec City for three years, in French, and I worked in English at CFCF, as the hon. member is aware. I also worked at the Gazette as a columnist and, finally, I worked at CKVL Radio in Montreal. That a bill should contain a clause that includes promoting national unity as part of the mandate of a network like Radio-Canada, gives me the shivers. Not because I am against Canadian unity but because I am a journalist. I think I understand what people, like my Liberal colleagues want to do. They want to make this dream come true of Canadians living in harmony from coast to coast. That will never happen! There will always be dynamic tension between West and East and between Anglophones and Francophones. That is only normal. That is what Canada is about. It is a little like political parties that get splintered. This is a pretty accurate analogy of the fragmentation of our society into West and East, Francophones and Anglophones.

It is not necessarily a bad thing. In fact it is positive. That is why I think the Canadian content rule is very good, and I agree it is important, but I have some reservations about promoting Canadian unity. As a journalist, I feel that the main objective of a news broadcast should be to present the news honestly, clearly, accurately and quickly.

I think that if we accept these criteria, we will improve our services at Radio–Canada and at the same time, we trust journalists and Canadians to decide what they want.

In concluding, I would like to say that John Milton, in his famous pamphlet *Areopagitica*, said: "Let (Truth) and Falsehood grapple; who ever knew truth put to the worse, in a free and open encounter?" That is the CBC's mission, and that is why I feel that I must support Motions Nos. 8 and 9 because we need more Canadian content and more unbiased content.

[*English*]

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to say that it is a great pleasure to join this debate in the criticism of the bill, as organized by the member for Mount Royal. There are some excellent criticisms.

In ending the debate today, I would like to say that I am not too sure I am facing a government any more. Lately, it does not matter what I am talking about in the House, I am finding that this government is destroying the underpinnings of our country.

Yesterday I was speaking about financial institutions and the changes the government is suggesting there. It is just terrible what it has been doing. It does not matter what we stand up to talk about because this group across from us simply do not understand Canada—at least not the Canada this party has tried to build, a country that we are very proud of. The cornerstone of that country has been CBC and the promotion of Canadian content.

As a consumer of the CBC and as one who listens to it and who enjoys CBC very much, I cannot understand how this government would do anything to undermine its mandate. There is a national purpose to the CBC. That is why we created it. It has been over 50 years in operation and is a corporation which, like any other Crown Corporation, has had its ups and downs. It never wavered from the commitment made by its employees to try to do the best to ensure that Canadians received the same message from one part of the country to the other.

Those of us who travelled across the country and have had the good fortune to live in many regions of the country, understand just how CBC pulls us together. I can tell you that before I took on this life as a member of Parliament, I used to contribute to a show on CBC, the radio show with the host Jack Farr, a very entertaining show. I was always amazed that people from the four corners of the country had heard that program. No matter what the item was, they managed to be entertained. It gave me a feeling that this country was more than just dollars and cents, but that there was a purpose to this country, a purpose that people enjoy.

I am just beginning to show how this piece of legislation—

The Acting Speaker (Mr. Paproski): The hon. member will have eight minutes left when we commence debate tomorrow.

[*Translation*]

It being six o'clock, the House stands adjourned until tomorrow at 11 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, November 1, 1990

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

OATH OF ALLEGIANCE—SPEAKER'S RULING

Mr. Speaker: On Wednesday, October 3, 1990 the hon. member for Parkdale—High Park rose on a question of privilege concerning the meaning of the oath of allegiance taken by all duly elected members and the duties and obligations of members relating thereto.

The Chair undertook to consider the matter carefully and to return to the House. I am now prepared to rule on the matter. The ruling I am about to deliver will touch not only on the question of privilege raised by the hon. member for Parkdale—High Park, but on other important issues raised by other hon. members during the discussion which ensued.

Let me preface my decision by saying that as your Speaker I am well aware of the importance of this matter, not only to hon. members, but to constituents across the country. Events of recent months have once again sharpened the focus of the Canadian public on members of this Chamber and the role they play in Parliament. Many constituents have contacted their members of Parliament to express their views. Though their views may differ and differ sharply, the passion with which they hold those views is striking. Indeed, it is precisely because these views are so passionately held that the real issue can sometimes be obscured. The Chair hopes today to clarify the situation for hon. members and perhaps no less importantly for the public who are watching us.

[*Translation*]

First, the Chair will deal with the precise point at issue, namely the validity of th Oath of Allegiance taken by the hon. Member for Laurier—Sainte-Marie.

As all hon. members are aware, Section 128 of the *Constitution Act, 1867* requires all Members of Parliament to take an Oath of Allegiance to Her Majesty the Queen or to make an affirmation in lieu thereof before being allowed to sit or vote in the House of Commons. The wording of the oath dates back to 1867 and derives from the oath then used in the British Parliament. It reads as follows:

[*English*]

I—

—and the person's name is given—

—do swear that I will be faithful and bear true allegiance to Her Majesty, Queen Elizabeth II.

I point out that that is the oath and it is limited to these very brief words.

Thus, the taking of the oath is a constitutional requirement and only those members who have taken and subscribed to the oath are allowed to take the seats in the House of Commons.

As Beauchesne pointed out in the fourth edition of his of *Rules and Forms for the House of Commons of Canada*, Citation 16(1):

It is not the oath that makes a person a Member of the House. He must be a Member before being sworn in—The object of the oath is to allow the Member to take his seat in the House.

[*Translation*]

On August 27, 1990 the hon. member for Laurier—Sainte-Marie, duly elected by his constituents on August 13, made a solemn affirmation and signed the Test Roll. In so doing, like all other hon. members, he became entitled to take his place in the House and on September 24, 1990, when the House resumed sitting, the hon. member was introduced and took his seat.

The current controversy springs from events of September 23, 1990. On September 23, the hon. member for Laurier—Sainte-Marie made another statement outside this Chamber expressing his loyalty to the people of Québec. This statement, as the hon. member for Shefford has pointed out, is very similar to one of two oaths taken by members of the National Assembly of Québec. The hon. member for Shefford sees no contradiction there. He argues, "—l'un n'empêche pas l'autre."

• (1110)

But this viewpoint is not universally shared. Others contend—contentions that have been fueled by media reports and commentary—that the events of September 23 cast doubt on the legitimacy of the oath taken August 27.

[*English*]

Your Speaker is not empowered to make a judgment on the circumstances or the sincerity with which a duly elected member takes the oath of allegiance. The significance of the oath to each member is a matter of conscience and so it must remain.

The hon. member for Laurier—Sainte-Marie has stated very clearly in the House that he has in no way repudiated the oath of allegiance he took on August 27. The hon. member said:

[*Translation*]

> I never mocked the Canadian Parliament nor the Queen. I swore the oath of allegiance with all due regard for the democratic institution that the Canadian Parliament is.

[*English*]

Whatever construction the media has put on the situation, whatever the perception or misperception of the events of September 23, it is a fundamental principle and long-established convention of the House to accept as true the word of an hon. member. The Chair must therefore conclude that there has been no breach of privilege as contempt.

[*Translation*]

That being said, it is important to view this situation in its entirety. The hon. member for Laurier—Sainte-Marie has been unambiguous on his perspective and that of his colleagues:

> We insisted that it is with the outmost respect for Canadian Parliamentary institutions that we are sitting here, while insisting that we would strive to achieve Quebec's sovereignty as soon as possible.

[*English*]

As the hon. member for Cape Breton—East Richmond has eloquently stated, the fact that an hon. member holds views which are vigorously opposed by other hon. members can in no sense be allowed to detract from his right to present them.

A historical perspective on parliament here in Canada and in Great Britain reveals ample precedent for the presence in the House of duly elected members whose ultimate goal may be at odds with, even inimical to, the constitutional *status quo*.

Only the House can examine the conduct of its members and only the House can take action if it decides action is required. Should the House decide that an hon. member has in some way committed a contempt, then it is for the House to take the appropriate steps.

The Chair wishes to thank all hon. members who participated in the discussion of these important matters. The freedom of all members of the House to represent their constituents and to perform their duties is a cherished right. The Chair hopes that the airing of these issues has helped to clarify the situation so that the work of the House can carry on in the best traditions of this place. I thank hon. members.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSES

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to 36 petitions.

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

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-91, an act to amend the Financial Administration Act and other acts in consequence thereof.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition signed by numerous residents of Ottawa and Nepean who object to the goods and services tax. In particular, they object in so far as it applies to books and the printed word.

These petitioners note that books have been free of tax in Canada since Confederation. Indeed, I think it is a fact that they are free of tax in almost every other civilized country on earth, but now this Tory government is going to impose a goods and services tax on books and the printed word.

These petitioners, like so many millions of other Canadians, are opposed to this tax. They call upon the Parliament of Canada to reject the tax.

THE ENVIRONMENT

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, pursuant to Standing Order 36, I would like to place before this House petitions from many people from my riding who are urging the government to honour the commitment it made in October 1988 when it put funds forward to begin the cleanup of the hot spots in the Lake Ontario area.

Of course, the worst of those hot spots is the Don River which flows through my riding. We are hoping that the government will soon honour its commitment to begin that process.

GOODS AND SERVICES TAX

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise pursuant to Standing Order 36 to present a number of petitions signed by hundreds of Canadians from Halifax, Dartmouth, Winnipeg, Fredericton, New Brunswick and Ottawa in which these people state that they are appalled at the imposition of the GST on books and magazines.

They call upon Parliament to reaffirm historic principles embodied in tax free status for the printed word by retaining the zero rate in the GST legislation and regulations.

They add most particularly that it is an egregious error to tax such books as the Bible and the Koran.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, we were just discussing the fact that the Bible and the Koran are being taxed by this new nefarious and poorly conceived tax, the goods and services tax which, as you know, is so regressive. It is hurting the people across this land, and they do not want it.

I have hundreds and hundreds and hundreds of petitions from Newfoundland, New Brunswick, Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, the Northwest Territories, *ad infinitum*. The petitioners do not want this tax on books.

As my colleague so aptly said: "Not on the Bible; not on the Koran; not on anything whether it is plain literature, religious literature, a magazine, a book or a newspaper." Get rid of the GST.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present three petitions with several hundred names on them.

The petitions are from a number of communities throughout the Algoma—Manitoulin area including Tehkummah, McKerrow, Espanola and other communities, calling on the government to withdraw the goods and services tax.

It would have to do that in the Senate now, because the bill has passed here, but these constituents of mine and other people are fully opposed to it. They want the bill and the tax withdrawn. You will recall, Mr. Speaker, that in the public opinion polls this morning, 75 per cent of Canadians want the tax defeated.

• (1120)

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 36, I wish to present three petitions today, all asking the Government of Canada to withdraw the imposition of the government's goods and services tax as it relates to books and literature. The petitioners are from such communities in Atlantic Canada as Halifax, Dartmouth, Charlottetown, Prince Edward Island, as well as individuals in Toronto.

Mr. Speaker, we urge once again that the Government of Canada see its way clear to axe the tax and to prevent the GST from being presented on books and literature in this country.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to table in the House today a petition pursuant to Standing Order 36, to the effect that proposing a tax on books, newspapers and magazines is a measure that is absolutely regressive. Your petitioners, in fact there are several dozen here, maintain that the free circulation of printed matter is the cornerstone of our democracy, our culture and our education. They claim that an educated and productive society would be adversely affected by a measure that would impose a tax on books.

Your petitioners humbly pray and call upon Parliament to confirm the principles which, for many years, have formed the basis for exempting printed matter and to provide for such exemption in the GST bill to be implemented on January 1, 1991. Otherwise, this government will go down in history as the government that put a tax on books, reading and knowledge.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise pursuant to Standing Order 36 to present these petitions on behalf of western Canadians. It is inconceivable to these Canadians that with the high rate of illiteracy and all of the efforts and resources going to that, the government would put a further tax on books, especially in my area in the north where reading is one of the delights of western Canadians. A tax such as this will not be tolerated by them.

Mr. Bob Wood (Nipissing): Mr. Speaker, I rise today pursuant to Standing Order 36, to present a petition signed by people from all over Ontario, as it applies to the goods and services tax on books and literature. These people call upon Parliament to reaffirm the historic principles embodied in tax free status for the printed word by retaining the zero rate in the GST legislation and the regulations.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I too take pleasure in presenting to the House a petition from people in St. John's, Mount Pearl, Manuels, Topsail, Portugal Cove and yes, Mr. Speaker, from Paradise itself. These people in Paradise and elsewhere are outraged by what is an outrage. They have given me a petition to present to this House, knowing that the Government of Canada has never, since Confederation, done what this government is about to do. That Confederation was the one in 1867. The real one, of course, was in 1949 when two countries came together, but they are talking about the first one.

They are saying that never in all that time have we taxed the Bible. Never have we taxed learning. Now, this crowd, in addition to running us into the ground want to make us Godless and illiterate, as well.

I support the petition completely and ask that the government mend its ways and stop taxing the Bible and books. Do not be such cowards.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I would like to present two petitions today. First, I have a petition here signed by 553 residents of Edmonton and surrounding areas. All of these people are unanimous, as are countless tens of thousands before them, in calling on the government to reject the proposal for a goods and services tax and cause the government to cease with the proposal which will shift the burden of tax on to ordinary Canadians through a regressive consumption tax, instead of real tax reform.

* * *

CABLE BROADCAST INDUSTRY

Mr. Ross Harvey (Edmonton East): While I am on my feet and apropos some business that will be before the House today, I would like to present a petition signed by a number of Canadians. They point out that cable companies made an average of 32 per cent profit on fixed assets in 1988 or more than twice the level of the regulated telephone companies. They point out as well that cable prices increased by 6 per cent annually between 1984 and 1988 and by 29 per cent over 18 months during 1988–89 at a time when telephone prices actually dropped.

For these reasons the petitioners are calling upon Parliament to adopt Bill C–284 and apply a rate–of–return regulation to the cable industry.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, apropos to that last petition, I have a similar petition. Phone rates are regulated; cable rates are not. The New Democratic Party and thousands of petitioners say: "Why not?" We have petitions from all over the country. These petitioners humbly pray and call upon Parliament to adopt Bill C–284, which is my Private Member's Bill on regulating the cable rate, and apply rate–of–return regulations to the cable industry so that cable rates can be regulated like telephone rates.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I, too, have a petition signed by numerous Canadians who point out that cable prices increased by 6 per cent annually between 1984 and 1988 and by 29 per cent over 18 months during 1988–89 at a time when telephone prices actually dropped. The petitioners join with others in calling upon Parliament to adopt Bill C–284 and apply rate–of–return regulations to the cable industry.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I, too, have a petition that has been certified under Standing Order 36 as correct to form and content. The petitioners, who are from across Canada, raise their concern about the fact that the cable industry is the only territorial monopoly in Canada whose profits are unregulated. They also point that the cable companies made an average of 32 per cent profit on fixed assets in 1988, more than twice the level of the regulated telephone companies and, if I may add, almost three times as much as the natural gas utilities in the province of Ontario are allowed to make.

These petitioners call upon Parliament to adopt Bill C–284 in the name of my colleague, and apply rate–of–return regulations to the cable industry. I think these people deserve a fair deal.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I, too, rise under Standing Order 36. It is with a great deal of pleasure that I present this petition signed by numerous Canadians who have seen charges by the cable television industry increase without any apparent control over the last few years. What the petitioners are asking for is a fair deal. They are asking Parliament to pass Bill C–284 and apply rate–of–return regulations to the cable industry.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I have two petitions. The first one, pursuant to Standing Order 36, is like the others, calling on Parliament to regulate the cable industry the same as the telephone industry is regulated. The petitioners call upon Parliament to adopt Bill C–284 in the name of the member for Port Moody—Coquitlam, and apply rate–of–return regulations to the cable industry.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): The second petitioner, Mr. Speaker, I add to the thousands of names that I have already submitted in petitioners of people who are against the goods and services tax.

These petitioners, like thousands and thousands of others, millions across Canada, and in the latest Gallup poll 76 per cent, show that they are against this particular goods and services tax. They are calling upon Parliament to stop the proposal and asking the government to at least delay the implementation until it can guarantee that the Canadian taxpayers will not face another tax rip–off.

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36 it is my pleasure to present petitions by New Brunswickers and from people all across Canada who are strongly opposed to the GST and, more particularly, opposed to the tax on written materials, and so it is a pleasure to present this petition.

Mr. John Harvard (Winnipeg–St. James): Mr. Speaker, I, too, would like to present a number of petitions on behalf of Manitobans who are deeply concerned about the application of the GST to books, magazines and newspapers.

• (1130)

They point out that this has never happened in the history of Canada. They would also like parliamentarians to understand that the uninhibited dissemination of the printed word is a cornerstone of democracy, of our culture and of our educational system, and that the application of the GST would be counterproductive.

They humbly pray and call upon all of us in the House of Commons to reaffirm this historic principle embodied in tax–free status for the printed word by retaining the zero rate in the GST legislation and regulations.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BROADCASTING ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 31, consideration of Bill C-40, an act respecting broadcasting and to amend certain acts in relation thereto and in relation to radiocommunication, as reported (with amendments) from a legislative committee; Motion Nos. 8 and 10 of Mrs. Finestone (p. 14956); and Motion No. 9 of Mr. Waddell (p. 14956).

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first of all I want to thank the member for Mount Royal for the fabulous job she has been doing in shepherding this bill through the House over the last year.

It has been a very tough bill to handle especially from opposition, because we have talked about many aspects of this bill that disturb us. Most of us on this side of the House believe in a strong national government. We believe that the Broadcast Act traditionally has been an instrument that has allowed us to promote things like national unity. The Broadcast Act, therefore, has helped as a galvanizer in this country. Now we see the government trying to take out the words national unity.

Specifically I am speaking today on three separate motions. In one of the motions put forward by my colleague she wants Bill C-40 to be amended in clause 2 as follows:

> "provide programming that is predominantly Canadian, using predominantly Canadian creativity".

The motion of the member of Port Moody—Coquitlam talks about the following:

> "and presentation of programming, in particular in the prime viewing hours between 19:00 and 23:00 hours on television, unless".

Finally, Motion No. 10 indicates the following:

> "(vi) provide a reasonable opportunity for the public to view the productions of Canada's autonomous public film producer and distributor, the National Film Board of Canada;".

Mr. Speaker, you have to understand that in my riding of Broadview—Greenwood there are close to 2,700 people employed in this industry. My riding is the riding of *Degrassi Streets*. My riding is the riding of *Night Heat*. My riding is where John Candy and Mike Ontkean got their start.

A small divergent point on Mike Ontkean, I can remember when I was younger playing hockey at St. Mike's and sitting in the dressing room with Mike Ontkean. This is back in the early 1960s. Different people would talk about where their dreams were and what their hopes were. Most of us wanted to go on and play NHL hockey. Very few of us wanted to go to college. Mike Ontkean would sit in the corner of the dressing room and say: "I want to be a movie star". We used to laugh at him and we used to tease him. The bottom line is that at that time the thought of a Canadian wanting to be a Canadian movie star was not taken very seriously.

I would like to suggest that part of the problem we have in this country is that very few of us think we can become movie stars. Very few people think they can become artists who can go beyond our own community and on to the world stage.

I am concerned that Bill C-40 does not do anything to encourage this. We now have artists in this country like Kim Mitchell and Blue Rodeo, and on and on the list goes, who have made it on the world screen and stage; but they needed that push and that self-confidence from home.

In my riding we have the largest movie studios in all of Canada, Cinevision. However, if one goes down to Cinevision and sees the various crafts that are producing and working on these films, one finds out that 90 per cent of them are not Canadian. They are in fact from every part of the world.

I believe that this bill does nothing to promote Canadian talent. It does nothing to encourage Canadian talent. It does nothing to give them the following feeling: "Look, my name is Mike Ontkean. I can play side by side on Twin Peaks. I can play side by side with Paul Newman" We have an inferior complex in this country, and this broadcast instrument, Bill C–40, does not really do anything to minimize that feeling.

I also want to touch on the National Film Board. Some of the finest work in North America is in the National Film Board. What do we do with the National Film Board? It is sitting in a building, in a warehouse, down on a corner about a mile from here. It is shrouded in mystery. Very few people would even know it exists. Even the lighting on the building is atrocious. There is absolutely no super marketing plan to put the product of these great cinematographers out to work. When the cinematographers of our country apply for help from a place like the National Film Board or Telefilm, we make them feel like beggars rather than world–class artists.

Bill C–40 is a very important instrument in making sure that the cultural talent in this country is unleashed to its full potential. It can be done only by giving it the necessary recognition, by giving in the necessary support and by all of us waking up and realizing that we have a world–class entertainment industry that can by syndicated all over the world.

It is only when we in the House collectively believe in a Mike Ontkean who sits in a dressing room at 15 years old and says: "I am going to be a movie star". It is only when we realize: "Hey, if he is persistent and if we in Canada give him that encouragement, he could be a movie star". It is only when that thought process permeates all things we do in our lives, especially the instrument called the Broadcast Act, that the great cultural resource of this country will be fully utilized.

I urge the member for Edmonton Southwest to work with my colleague to ensure that we make this new Broadcast Act something very special, something of which we can all be proud.

• (1140)

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the House that a vote on Motion No. 8 will apply to Motion No. 10, and on Motion No. 9 there will be a separate vote.

The question is on Motion No. 8 standing in the name of the hon. member for Mount Royal. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8) the recorded division on the motion stands deferred.

The next question is on Motion No. 9 standing in the name of hon. member for Port Moody—Coquitlam. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing order 76(8), the recorded division on the motion stands deferred.

Mr. Neil Young (Beaches—Woodbine) moved:

Motion No. 6

That Bill C-40 be amended in Clause 2 by adding immediately after line 6 at page 3 the following:

"(3) For the purposes of this Act, a multiple dwelling unit grouped as a condominium complex is deemed to be one permanent residence on such terms and conditions as the Commission deems appropriate."

He said: Mr. Speaker, the amendment to the act moved by me is exactly the same as the amendment I moved on similar legislation. In fact it was exactly the same legislation, then known as Bill C-136.

The reason for the amendment is that many condominium home owners are very concerned about a proposal in the bill under clause 2(1)(a) which deals with how the bill could be interpreted at some future date.

The concern was initially raised with me by Mr. Ernie Loder on behalf of the TV Communications Committee of York Condominium Corporation No. 76, more commonly known in my constituency as Massey Square. He not only raised it with me but raised it with a number of members of the House. At the outset I thank the Parliamentary Secretary to the Minister of Communications for taking the time, quite a considerable amount of time actually, to sit down with myself and Mr. Loder to listen to the concerns of these condominium owners.

The concerns that condominium owners have is that they are being treated or appear to being treated quite differently from the home owner who may install an antenna or a dish receiver on top of an individual dwelling house to receive a signal. Condominium owners who do exactly the same thing to share the same signal going through all the condominium homes may be treated differently under this act and may be considered a commercial distribution at some point. They feel that this is discrimination.

The minister, as did his predecessor, sent out a letter to a number of people who had raised these concerns with him. I think it may be worth while to read the letter itself into the record. It not only explains the problem; it explains the government's attitude toward the problem. However, it does not deal with a future decision that the CRTC may make under extensive lobbying by the cable industry. I will read the pertinent parts of the letter from the minister to a number of my constituents. It starts by saying:

Firstly, you should know that, at present, condominiums which install a roof-top antenna or satellite dish and distribute the signals they receive throughout the condominium building are covered by the existing Broadcasting Act (1968) as "Broadcasting Receiving Undertakings". These master antenna television (MATV) systems, as they are known, are therefore subject to licensing and regulation by the Canadian Radio-television and Telecommunications Commission (CRTC). However, it is the policy of the government and the CRTC to exempt MATV systems from having to obtain a licence provided that they they meet certain conditions.

These conditions reflect objectives of Canadian broadcasting policy. Firstly, they are intended to ensure that those receiving television services in this manner will be offered a range of Canadian broadcasting services as well as any available foreign services.

Secondly, in light of the CRTC's responsibility to regulate and supervise the broadcasting system as a whole, the conditions for exemption are designed to ensure that fair competition exists between cable operators and MATV operators and that their respective subscribers are fairly treated.

Recent amendments to these conditions for exemption make it clear that condominium owners have several options in obtaining television services. They may run their own MATV system; they may contract an outside MATV operator to run their system for them, at a negotiated rate; or, they may choose to subscribe to the local cable service. If they choose either MATV option, no licence is required as long as they respect the conditions of the exemption.

Nothing in the new broadcasting legislation could change this situation. Let me stress that the Bill contains no provisions which would force condominiums to close down their MATV systems and deal with cable operators, nor are there any provisions which would cause the CRTC to make its exemption criteria for MATV systems more rigid.

On the contrary, by identifying MATV systems as the distribution services which they are, the new legislation would legitimize these systems and clearly recognize them as part of the broadcasting system as a whole. Furthermore, the Bill would expand the CRTC's ability to use its exemption power. Accordingly, under the proposed legislation, condominiums which are currently exempted from licensing should expect that they will continue to be exempted.

Finally, it has been said that the Bill treats condominiums and apartments differently from single-family homes. This, too, is inaccurate. Should a group of home-owners decide to use one antenna or satellite dish to service, for example, all of the homes on one street, that system would be subject to the same CRTC regulations as similar arrangements in condominiums. On the other hand, like owners of detached houses, condominium owners whose circumstances and condominium rules permit, as with some townhouses for example, may install an antenna or satellite dish for personal use only within their own homes without being subject to regulation. Again, the Bill applies fairly to all Canadians.

It would seem that the present exemptions have caused some operators of MATV systems to believe that they are not covered by the existing Act. They consequently fear that new legislation will change their present status and have advised condominium owners accordingly.

> As I have explained, these concerns are simply unfounded. The government is confident that, under the new legislation, condominium owners will continue to exercise the range of choices available to them with the approval of government laws and regulations.

It is signed by the Minister of Communications, the Hon. Marcel Masse.

There are some caveats in this letter which make condominium owners very nervous.

• (1150)

As we heard earlier today when petitions were being presented to the House in support of the private member's bill of my colleague from Port Moody—Coquitlam, cable companies are very powerful organizations.

If at some future date they can summon up an argument that shows the condominium homeowners are using a system that treats cable companies or co–operative housing units unfairly, I am quite sure that the CRTC may be sympathetic to that kind of an argument. That is what is of great concern to condominium owners and co–op housing groups.

Two years ago when this amendment was before the House when the same bill under a different name was being debated, the government members ganged up to defeat the amendment. I would hope, with the passage of time, they would have had an opportunity to reflect on these concerns and will support the amendment at this time.

If the amendment is adopted by the House, all the House will be doing is clearly recognizing that condominium homeowners are exactly the same type of people who choose to live in single family dwellings. They are no different. They are not commercial enterprises in the sense, Mr. Speaker, that you would apply to the cable industry.

They are individual homeowners who pay individual property taxes unlike apartment dwellers. They should be treated as individual homeowners, and treated fairly by the government.

A question came up in committee, for example, that if Conrad Black had a mansion with 100 rooms in it, had a satellite dish on the roof and fed a signal into every one of these rooms, how would he be treated? The answer came back, as a single home owner. However, if we took a cable and ran it to a garage where someone else was using it, it would be considered as a commercial enterprise. I think that is the dumbest, most illogical approach to the concerns that these people have.

All I would ask is that the House give serious consideration to these concerns.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I want to thank my colleague from Beaches—Woodbine for placing before this House an issue that really needed to be addressed in a very serious manner.

One of the reasons I have often had complaints—I would agree with the people who have complained—is the fact that bills are unclear. The intent of the legislators is left open to question.

This is a perfect example of where lack of clarity and foresight in a bill by the minister and by the government leaves up to question the place of condominiums. As a matter of fact, it also leaves in the air the question of apartment buildings which, for those who are listening and for those who want to know, are exempted as long as they abide by the rules and the regulations which the CRTC has in place for cable companies.

Mr. Speaker, if one lives in an apartment building, one should have the same access as any other person in a private home to all the channels which are allowable by law through a cable company.

By the way, the interesting part about that is I am aware of a number of apartment buildings right in my own city where that is not the case. I do wish that the apartment dwellers in those buildings would write the CRTC, call their local people and be in touch with the local cable companies if the apartment building is charging them a fee and they are getting services like HBO and ESPN. They are outside of the law, and are not acting as good citizens. In actual fact, they are taking money out of the Canadian broadcasting system and the development of the talent and skills that my colleague from Toronto alluded to earlier.

I appreciate this particular amendment because it concerns condominiums. Condominiums are basically homes that are built either one on top of each other, or collectively, but they are privately owned.

The former Minister of Communications wrote a letter, as I recall, to respond to a number of groups that appeared before us. One in particular was Mr. Loder, who appeared to talk about exemptions for condominiums. The minister was finally forced under Bill C–136 to clarify the absence of intent within that bill with respect to MATV systems and their regulatory status. We would think that this minister would have learned. I would hope that the parliamentary secretary, who understands the issues very thoroughly and has been extremely co–operative, would see the value of the amendment of my colleague, the member for Beaches—Woodbine.

The minister of the day on Bill C–136 said: "I would like to address an issue raised recently by people living in apartments and condominiums who use satellite dishes to receive broadcasting signals". By the way, satellite dishes in apartment buildings also use a master antennae TV system which is a very similar idea. "There is concern that the broadcasting bill will in some way impose restrictive regulations or limit their viewing choices. This fear is simply unfounded. At present, condominiums which install a roof–top antennae or a satellite dish and distribute the signals they receive throughout the condominium building are covered by the existing Broadcasting Act as broadcasting receiving undertakings".

That means it is just the hardware. "They are subject to CRTC regulations and the possibility of fines for non–compliance. However, the CRTC has chosen to exempt such systems from licensing requirements provided they meet certain criteria, such as carrying local Canadian signals. Nothing in Bill C–136", nor in this Bill C–40, "would change this situation. There are no provisions which would cause the CRTC to make its exemption criteria more rigid. Indeed, the bill expands the commission's ability to use its exemption power. Condominiums", and I presume that that follows for apartments, because that is how the minister read it before, "which are presently exempted from licensing should expect that they will continue to be exempted. I believe the present exemptions have apparently caused some condominium owners to believe that they are not covered by the existing act. They consequently fear", at that time Bill C–136 and I say it for Bill C–40, "it will change their present status. As I have indicated, this is not at all the case".

To make this very clear for lawyers who do not necessarily follow all bills, and for people who like to read bills and have the government will expressed, I would suggest this is an amendment that I think we could support with a great deal of comfort and I hope the government will so see that direction.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I listened with care to what my colleagues opposite said in connection with the amendment put forward by the member for Beaches—Woodbine, who has been very deeply involved in this issue. Indeed, he did bring Mr. Loder to my office and we had a thorough discussion on the matter.

What I tried to impress upon the hon. member's constituent is that the intention is to have a minimum of regulation and a maximum of exemption provided, that those who are involved accept the basic rules of the system and that is, to guarantee access of Canadian services particularly and not to frustrate the goals of the system by giving access to condominium owners signals which other Canadians are not entitled to have.

This motion attempts to put into law something which is fundamentally a regulatory matter. Bill C–40 leaves unchanged the status of satellite master antennae systems which many condominium corporations operate. Under this bill, as under the current Broadcasting Act, SMATV systems, as they are called are subject to licensing and regulation. However, under the existing act, the CRTC has chosen to exempt them from licensing provided that they meet certain criteria. Nothing in Bill C–40 would alter this approach. To the contrary, the bill encourages the commission to exempt services from licensing wherever it deems this to be appropriate.

• (1200)

In each case, the current act and Bill C–40 ensure that the CRTC is able to regulate such systems and require, regardless of the particular circumstances, that Canadians served by such systems will have access to Canadian programming services. That is the primary reason for regulation of all broadcasting distribution systems. The bottom line here is access to Canadian programming. In our view, the law should apply equally to all systems which serve more than one household and condominium complexes should not be singled out for exemption.

SMATV systems can be very small, serving only a few subscribers, or they may be as large as a cable company, serving 1,500 households or more. Furthermore, they may be operated not only by condominium complexes, but also by apartment buildings, hotels and even small rural communities.

It is up to the regulator to determine how to interpret the law and adopt appropriate regulations which recognize the particular circumstances of the many and varied types of distribution services, whether they are non-profit co-operatives or profit-oriented commercial organizations.

The CRTC has until now, and I have every reason to believe will continue in the future, to adjust the regulatory burden to meet particular circumstances. This bill, I submit, encourages the commission to continue that practice.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

The next grouping of Motions nos. 12, 13, 14, 15 and 42, grouped for debate but with separate votes.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 12

That Bill C-40 be amended in Clause 3 by adding immediately after line 20 at page 5 the following:

"(m) the Corporation should provide a parliamentary service subject to such applicable statutes and regulations as the Governor in Council may deem necessary;"

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 13

That Bill C-40 be amended in Clause 3 by adding immediately after line 20 at page 5 the following:

"(m) the Corporation should provide a northern service subject to such applicable statutes and regulations as the Governor in Council may deem necessary;"

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 14

That Bill C-40 be amended in Clause 3 by adding immediately after line 20 at page 5 the following:

"(m) the Corporation should provide an all-news service in English and French subject to such applicable statutes and regulations as the Governor in Council may deem necessary;"

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 15

That Bill C-40 be amended in Clause 3 by adding immediately after line 20 at page 5 the following:

"(m) the Corporation should provide an international service subject to such applicable statutes and regulations as the Governor in Council may deem necessary;"

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications) moved:

Motion No. 42

That Bill C-40 be amended in Clause 46

(a) by striking out line 10 at page 31 and substituting the following therefor:

"(2) The Corporation shall, within the conditions of any licence or licenses issued to it by the Commission and subject to any applicable regulations of the Commission, provide an international service in accordance with such directions as the Governor in Council may issue.

(3) The Corporation may, within the con-";

(b) by striking out lines 17 and 18 at page 31 and substituting the following therefor:

"Governor in Council to carry out."

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is an interesting group of subjects that we are covering in this particular debate. We are looking at the definitions of those kinds of channels within the construction of this bill within the concepts of what a Canadian broadcasting system is and what the public service Canadian Broadcasting Corporation ought to incorporate.

It strikes me, Mr. Speaker, that the debate with the government on each one of the services we are going to talk about this morning will indicate why the government has been short-sighted in the context of this particular bill. I believe each one of these services is key to Canadian unity, to Canadians' concepts of each other, and to Canadians specifically knowing about themselves through some of the more formalistic ways of presentation on the screen.

This series of amendments is to ensure the continued presence of the parliamentary service, Radio Canada International, the all-news service in English and in French, and a northern service. All of these services are important to a country which is so geographically large and would serve to unite Canadians from one region to another. This admission, I believe, is contrary to the unanimous recommendations of the report of the Standing Committee on Communications and Culture.

I find that rather ironic given the news in many newspapers this morning. The headline in *The Ottawa Citizen* states:

> PM to Unveil Unity Initiatives. Committee to Consult Canadians on Future.

What is a better mechanism than the parliamentary channel? It sometimes makes people very angry and sometimes makes people laugh. Sometimes people say that this is a circus in here because they do not watch other than that 45-minute thrust and parry that is really a question and no answer period. That is what people see.

If we want people to know what Canadians are doing from coast to coast and if we want to feel what Canadians are feeling in the regions, what better vehicle have we than the parliamentary channel which we can use after hours when the House is closed?

We are going on a week's recess to catch up with work in our ridings and offices. Why can we not be using that time productively in the interests of Canadians and under the guidance of the Chair? Why are we considering privatizing it or going into a co-production with the private sector on this parliamentary channel?

This is an expression of a form of democracy that the world is looking at. It is one of a number of forms of democracy and, as newly emerging nations come on the scene, their representatives come here to visit. The House of Commons through the Speaker sponsored one of our table officers to write about democracy. It hosted the Russian delegation that was here, the German delegation from East Germany, the Hungarian delegation, the Romanian, and the Polish delegations who are coming here to examine the way our democracy works. Would it not be a good idea if the way our democracy works was shown on the screen?

If we are going to have this constitutional committee that is going to go and have a constitutional crisis attack, maybe we should have the country watching what is going on. Let us see what this committee on national unity from the grassroots is saying across this land. Perhaps the unity that we are looking for in the bill and in the country at a moment of really serious concern will come to the fore.

With respect to the other channels that are equally important, I have an amendment that relates to English and French all-news services. The CBC's news service is absolutely wonderful. We have done away with that horrendous, seven-second clip and journalist overvoice for the rest that interprets what you and I are saying in the House, and we have in depth coverage.

Do you know, Mr. Speaker, that the parliamentary channel, which is seen as such a valuable tool as well as CBC's all-news service, is going into the U.S. cable satellite public affairs network on C-SPAN. It frequently carries these parliamentary proceedings. It has 55 million subscribers.

New York State has launched a parliamentary network project into 18,000 schools and universities, the English channel for the social studies faculty and the French channel for languages. The project is being monitored for possible expansion into the states.

• (1210)

The Americans are going to be looking at us and we are so busy watching American movies and American news and American everything else, that we forget to do something for ourselves. We are so short-sighted in the manner in which we handle this very vital, nervous, sensitive, important tool—the software, the brainware, or the vehicle that can get through to the public, that television set which is just a piece of hardware until one pushes a button and then it becomes alive. It can promote the kinds of things that we want.

I know my colleagues are going to give some serious information about the all-news service and the northern service. My colleague from Winnipeg and I were up in Iqaluit. He will share with you the very exciting information that we learned about the private and public sector networks with respect to the Inuit people. Inuit from Greenland, Russia, Alaska, and Canada shared through that channel which has now been slashed. I will leave that part to the hon. member.

With regard to Radio Canada International, I am going to be forever grateful to my colleague from Saint-Maurice who, I think, may have had an impact on the minister because he came from the parliamentary benches on the government side. This service is the mechanism by which Canadians who are living and working overseas keep in touch with Canada. It is the way that many countries and many nations see this wonderful country and hear news from a middle power's point of view.

These are important institutions that should be put into the bill and should be permanently funded and permanently recognized within a Canadian broadcasting system, and under the Canadian Broadcasting Corporation.

Mr. Waddell: I rise on a point of order, Mr. Speaker. I have a problem and perhaps the Chair could help me out.

One of the amendments, namely Motion No. 14, standing in the name of the hon. member for Mount Royal, in English reads that the clause be amended and:

> "(m) the Corporation should provide an all-news service in English and French subject to such applicable statutes and regulations as the Governor in Council may deem necessary;".

[*Translation*]

The French version reads as follows:

> «*m*) la Société devrait offrir un service d'information continue assujetti aux lois et règlements applicables que le gouverneur en conseil juge nécessaires;»

I may not be very fluent in French, but I do not see here the words "—un service d'information [—en anglais et français—]". We now have a service in English, but none in French.

[*English*]

The Acting Speaker (Mr. Paproski): I am pleased that the hon. member has brought it to our attention. We will have a look at it and then come back for a ruling or a legal translation.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, if I may comment on what was said by the previous speaker about this motion, I agree there is no indication in the French version. I read the amendments only in French, because that is my mother tongue, and there is no reference to a French network. There was no indication that, as the hon. member for Mount Royal suggested, and rightly so, a French all-news network should be added. The French version does not say the same thing at all, if we compare the two texts. This is very disturbing because it prevented us from—

[*English*]

The Acting Speaker (Mr. Paproski): We will examine the bill and then come back and check the legal translation of that particular motion, that is, Motion No. 14.

Mrs. Finestone: Mr. Speaker, I wanted to thank my hon. colleague for bringing that to our attention.

[*Translation*]

However, the hon. member who just spoke should realize he did not have to wait for a translation to confirm that the Broadcasting Act contains certain provisions and make his comments accordingly.

Mr. Guy Saint-Julien (Abitibi): On the same point of order, Mr. Speaker. I always check the French version. And today, we see that the French does not say the same thing as the English version. I am very disappointed. We will have to do something about this, because as members from Quebec, we prefer to read these texts in our mother tongue, and we would like to see this motion corrected.

[*English*]

The Acting Speaker (Mr. Paproski): We will check the lines and the legal translation of them. We will then come back and check the whole motion and transcript.

The hon. member for Port Moody—Coquitlam on another point of order.

Mr. Waddell: No, Mr. Speaker, I was going to suggest that I have a 10-minute speech, and I could deal with that while the Chair is having a further look at the matter.

The Acting Speaker (Mr. Paproski): My understanding is that there is really no problem as far as the translation if you look at the bill and the meaning of the motion. You are comparing the lines as the English is compared to the French. I think that if you read the whole text of the motion in the bill, you will find that there is no problem with the translation. But, we will check it, and come back to hon. members. I am pleased that hon. members have brought it to my attention.

Does the hon. member for Richelieu have another point of order, and if he does, will he please sit down first before I recognize him? Please sit.

Is it a point of order that the hon. member wishes to raise? I will recognize him on a point of order.

[*Translation*]

Mr. Louis Plamondon (Richelieu): I get the impression, Mr. Speaker, that you are glossing over the comments we just made. This is very serious, because I wonder how, in any case, we could postpone debate on Motion No. 14 since we now know the substance of the motion and the hon. member's intent.

We approve, in fact I fully support the amendment moved by the hon. member, except that when I read it in French, the text says that only—listen carefully: "—un service d'information continue assujetti—". So I thought this was a reference to the existing English network. In the English version, however, it says "—in English and French—", implying that another network should be added. That makes all the difference!

Members from Quebec, in the Progressive Conservative Party, the Bloc quebecois or the Liberal Party, would have liked to intervene in this debate and of course support this amendment, in order to oblige the government to provide two networks, one French and one English, in the all-news field. The amendment failed to specify that, so that today, we have been caught unaware, that is if we only read the amendments, and of course we can't read all the bills every day. But if we read only the amendment, it will be difficult to intervene rapidly, since the debate on this series of amendments will end at one o'clock.

Mr. Speaker, I would ask you to consider a solution that would allow us to debate this motion at greater length at another time.

[*English*]

Mr. Edwards: Mr. Speaker, this is not a government amendment. On the point of order, I believe the principle that has been expressed is accurate. I think it is a valid point of order. I think that the French version does not convey the same meaning as the English version. It falls far short of doing that, and I would urge you, Sir, and those who so capably assist you, to deal with the matter expeditiously so that as the debate proceeds an opinion can be sought from the Chair so whatever appropriate corrective measures can be taken so that we will be dealing with the amendment having the same meaning in both languages. I think that is a fundamental principle of this place.

The Acting Speaker (Mr. Paproski): This is exactly what we plan to do. I appreciate the parliamentary secretary, the hon. member for Richelieu, the hon. member for Port Moody—Coquitlam, and the hon. member for Mount Royal for bringing it to the attention of the Chair. I always feel that the legal translation, both English and French, may be a little different but it still comes out to the same thing. But we will at least have a look at it and get back to the hon. member.

• (1220)

I have to recognize somebody else on debate. A point of order?

Mrs. Finestone: —Chair or the Table with a sense of clarity. As it was my amendment, I can tell you that the intent is as expressed in motion No. 14(m) and it was with respect to English and French subject to the applicable statutes so that we could have a continuous all-news service in both languages. If there needs to be any clarity or assurance there, may I assure you that that was my intent.

The Acting Speaker (Mr. Paproski): There is one explanation for it. Therefore, I will now recognize the hon. member for Port Moody—Coquitlam.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, just to point out again that what has happened here is that the member for Mount Royal, the Liberal critic, has moved a number of amendments, Nos. 12, 13, 14, and 15.

They basically encompass a series of things. I tried to express them in my amendment, No. 11, which has been ruled out because the other amendments have it. Basically it encompasses the four areas, that the corporation, the CBC, should provide services including a parliamentary network—that is one of the amendments here—an international radio network, Radio-Canada International, a northern service, and an all-news network in English and in French, *en anglais et en français.*

Let me deal first with the problem of the all-news service. The problem is this, Mr. Speaker. We have an all-news service in English. I think it has been pretty successful. People have been watching it. Indeed, one journalist from *The Toronto Star* once said to me: "Gee, how did we ever conduct ourselves before without this all-news network because it keeps you so tuned in to what is going on".

A good example is this summer in Oka where English-Canadian viewers had excellent coverage of the Oka crisis through *Newsworld*, while Canadians in Quebec had to settle for the regular nightly newscast. That was an area where we could have used a French-language news service in French.

The difficulty is that it is a smaller market. That is the problem. We think that it is incumbent upon the government and the CBC, it is important, it is no less important, and there should be—

[*Translation*]

—we must also have a French news network. The NDP is in favour of such a network.

[*English*]

I want to speak generally of the CBC, and this is very important because apropos we are going to hear the Prime Minister this afternoon speak on the Constitution, trying to get the country back together again.

He should look right at some of the things he has done to pull the country apart. One thing he has done is he has in fact wounded badly the CBC, another instrument of national unity.

We have cut back on railways in this country. We are privatizing Petro-Canada. We cut back on a number of symbols and instruments of national unity. One of the great symbols of national unity is the Canadian Broadcasting Corporation.

I have heard many Liberal members speak. I appreciate they are speaking on the national unity clause. There has been a lot of rhetoric. I am as guilty as anyone else of a lot of rhetoric. But I think we have to get into some facts.. Hon. members opposite said they can agree with that.

Here are the facts. I looked at the CBC expenditures. That is where it really matters. There is not much point in giving the CBC a wide mandate if you do not give it the resources.

[*Translation*]

I see the hon. member for Richelieu. I said that we support an all-news network in French and also in English.

[*English*]

I am also saying that if you give CBC and Radio-Canada a mandate, you have to give them some money to implement it.

I figured it out in 1988 dollars.

Here is 1984-85 to the CBC: $943.3 million in operations. Commercial revenue was $265 million. That is 20.3 per cent of its percentage of commercial revenues to the future revenue.

Let us go through 1985-86. It becomes $879 million. The year 1986-87, $849 million—this is the operations—The year 1987-88, $828 million; 1988-89, $814 million; 1989-90, $812 million.

The Mulroney government is reducing the amount of money given to the CBC. Look at the commercial revenue: $265 million, 1984-85; 1985-86, $268 million; 1986-87, $287 million; 1987-88, $338 million; 1988-89, $363 million; 1989-90, $374 million.

It goes from a percentage of 20 per cent of the commercial revenues to the total revenues. It becomes 22, 23, 26, 28, 28.8 per cent. In other words, the CBC is becoming more and more commercial: Less government money, more commercial money.

As it is done, the network becomes more and more like a regular station. Canadians are going to have 40 choices in the future, and the CBC will be no different than the others. They will see a little logo that says: CBC. Mark my words, Mr. Speaker.

It is setting it up to look like another American station, or a Canadian private station. It is setting it up to privatize it, and we are going to lose one of the big parts.

An hon. member: They said that with PetroCan.

Mr. Waddell: I know they laughed and said that with PetroCan, and now they are going to privatize Petro-Canada.

This represents the commercialization of the Canadian Broadcasting Corporation. The CBC is being asked to operate more and more like a commercial network.

I put a question at the licence renewal of the CBC to the CBC vice-president and to the standing committee in May. The CBC vice-president Michael McEwen said the following in answer to a question from me: "You are right. We are getting squeezed, and each year we have to factor in how we are going to do that."

This year, 1989-90, it lost a 1 per cent real cut across the radio system. It managed to sustain its activity for one more year. As the president, Mr. Veilleux said: "If we keep going, something is going to have to give." Then, Mr. Speaker, you talk about making decisions. "Do you change the nature of how you express all your services? Do you lose some service? Do you lop off an arm, rather than deleting the whole thing? These are the issues we are going to have to deal with if we keep heading down this road."

The Minister of Communications came before committee and actually said: "Maybe we will get rid of all the advertising revenue." People went pale around the room: $330 million if we get rid of the CBC. The minister does not know what he is doing. This government does not know what it is doing with respect to the CBC.

At one moment, it is asking for more commercial revenue and the next moment, it thought: "Well, we will just give it up." It is not rational in dealing with it. It is inconsistent. I think it is time that the Minister of Communications was moved to another portfolio. This is very serious.

What is happening at the CBC is more re-runs, more American programs, abandonment of the goal of 95 per cent Canadian content and furthermore, more centralization in Toronto.

The parliamentary secretary can get up and quote capital budgets. The capital budget has gone up from $93 million to $113 million, but that capital budget is basically based in purchasing in Toronto, which is almost like a commercialization or a real estate project in Toronto if you like.

The CBC is becoming more Torontonian, because it has become more concentrated in Toronto. There are cut-backs in the regions. Again, that is taking the CBC away from its goal of national unity. You do not have to get up and put rhetoric in all this, you can put it right down to facts.

The cut-backs in operations, I set them up and I challenge the parliamentary secretary to rebut those figures. You can say how it has become more commercialized. There is more revenue from commercial revenues: from 20 to 28 per cent. I challenge him to rebut that.

Third, Mr. Speaker, you can see how it has been taken in from the regions and concentrated in the centre.

• (1230)

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise to speak to the bill before the House, Bill C-40, the broadcasting bill.

More than 98 per cent of Canadians living in the north have access to the CBC Northern Service, covering more than 4 million square kilometres including Yukon, Northwest Territories, and northern Quebec. The northern population of about 100,000 includes Inuit, Indian, Dene Métis and non-native groups. Service is provided in seven different languages including Inuktitut, Dog Rib, Chippewan, Slavey, Whichen, Cree, and Nuvialiktun.

As well the CBC Northern Service produces recordings of native singers and musicians. The total in the spring of 1989 were 42 recordings. This is an opportunity for people who have a specific ability in the arts to express it through this particular mechanism provided by CBC. It is one that is much valued and I think maximized to its most positive benefit for the people in the north and for Canada as an expression of Canadianism.

Communication and transportation are the two most critical services northerners depend on. People in the north depend on radio for vital information for their safety and in many cases for their survival. Whether people are on the land or in their camps or on the trap line or driving on a remote highway, they have a radio because they need to know the weather conditions, the

thickness of the ice, the current of a river, the state of the road, and the temperature. Communications for the north is not a luxury. It is essentially a necessity for survival.

In the coming years Canadians are going to witness many changes in one of our greatest national institutions, the Canadian Broadcasting Corporation. Since 1984 the government has consistently slashed CBC funding and Michael Wilson's recent federal budget announced a further $140 million in funding cuts over the next five years.

The Acting Speaker (Mr. Paproski): I would just like to bring to the member's attention that it is the Minister of Finance. Please do not name the person.

Ms. Blondin: I would like to express the importance that people put on the whole element of communication as it relates to air safety. There was a program termed the CBC weather program. There was supposed to be an allocation of approximately $400,000 to that program. That program was cut. That funding was denied. The air industry in that particular area of the north in which I reside in Western Arctic was very upset about it. The majority of my constituents depend on air travel. They do not have the luxury of buses, trains or highways. If there are highways in some of the area that I represent, they are winter roads; they are seasonal.

The importance of communications for the purpose of air safety is paramount. I must say that communication is the issue surrounding the problem with service at the Fort Franklin airport, an issue that has become prominent of late. A plane crash in 1984 killed seven people in that community. It was CBC that carried this tragic news and told the north that had there been the proper weather and communications services this would not have occurred. It would have helped to avoid this very serious and tragic accident. The Canadian Aviation Safety Board reported the accident may have been prevented if there had been proper weather and communication services.

The minister of state yesterday stated in this House that his information indicates Fort Franklin does not need communication and weather service. So they cancelled the contract yesterday. For the sake of $35,000 this government is willing to jeopardize the lives of northerners who totally depend on air travel. Air travel is not to be separated from communications. We needed that service. We needed that $400,000. We needed the money.

Mr. Edwards: Mr. Speaker, I rise on a point of order. With great respect to the hon. member who I know and admire, I would like to have the hon. member get to the point of these amendments.

An hon. member: Oh, oh.

Mr. Edwards: The issue that she is dealing with is very significant, having to do with air traffic and safety in the north. If it is related to these amendments, fine, but I have not heard the connection yet.

The Acting Speaker (Mr. Paproski): I am sure the hon. member will get to the connection. The hon. member for Western Arctic.

Ms. Blondin: Mr. Speaker, CBC has a weather channel and weather is very important. CBC in the south may be for entertainment purposes, maybe for enlightenment. In the north CBC services are a matter of necessity.

Mrs. Finestone: That's right.

Ms. Blondin: They provide information for the purpose of survival for people in the north.

Mrs. Finestone: Absolutely.

Ms. Blondin: I am sure that is something the hon. member opposite will appreciate, if he is willing to listen to what I have to say or to what the people I represent have to say.

This is what they have to say. Lois Hill, pilot/base manager from Norman Wells said:

> On-location weather reporting is extremely valuable to our company's operations—Many of our chartered flights take us to the Fort Franklin area. The large body of water/ice which makes up Great Bear Lake causes anomalies in local weather patterns which are difficult to predict.

Ed Phillips from Air Sahtu in Fort Franklin referred to the real irony of the letter from Transport. I know that the whole issue of communications is inextricably intertwined, that we cannot separate the two. The people were very aggrieved when the $400,000 was not reallocated for the weather service that CBC offered. I have a list of the names of the helicopter and airplane pilots who were very upset. The real irony was that the letter arrived on October 9, 1990. He continued:

—the anniversary date of the tragic Twin Otter crash here that claimed seven lives. We have enclosed copies of relevant sections of the Canadian Aviation Safety Board's review of this accident and their recommendations. There is absolutely no doubt in my mind that the accident was avoidable, had there been qualified weather reporting and communications here.

I appeal to you, Mr. Speaker—

Mr. Edwards: Mr. Speaker, I rise on a point of order. I have listened with care to what the hon. member is saying, and she has a valid issue. This service may indeed be provided under contract by the CBC, but it is a transport issue and totally unrelated to the consideration of this bill.

The Acting Speaker (Mr. Paproski): Will the hon. member for Western Arctic please complete her statement?

Ms. Blondin: Mr. Speaker, might I say to you and through you to hon. members of this House that CBC provides a service to the people in the north unlike any service it provides in southern Canada. It provides the communication of information for the survival of these people. What happens is that when that line of communication is severed there is the jeopardy of lives. That is exactly what I am saying.

I am sure it is not the intention of any government to jeopardize the lives of any of the Canadians in any other area, but what I cannot understand is why there was no reallocation for a service that is considered basic or fundamental to every other part of this country. Why was that cancelled?

What my constituents and I would like to hear is that the government is sincere and wants to service the north, not only in terms of communications but in every other way. For years in my constituency we never had television. We had CBC radio. The umbilical cord of the north is CBC. It has carried messages to the trap line, to the unilingual person, because it provides that kind of service.

However, the most important service it provided for this one particular group was weather information. There are no roads. I am telling you, Mr. Speaker, it is very important for these people. These people would like the government to reinstate and establish that there is a firm commitment to the north in terms of communications and other services. We are off the transportation grid essentially. Being the same does not make us equal. Sometimes it takes extraordinary measures to achieve equality, and that is something that has to be recognized.

• (1240)

I think we can have what I would say is a role model for communications in the north. We have trained many people who have left the north and have become outstanding national reporters. The north is a wonderful training ground. It has cultural diversity. The challenge of meeting the multi-lingual system in the north was something that definitely was used as a training ground by journalists coming to the north.

This particular item of communication, transportation and survival is not a light subject. It is something that is very serious. It is something about which the helicopters and airplane pilots delivered a message to my office saying that they were worried. We do not undervalue the commitment or the efforts of the Canadian Broadcasting Corporation over the years. We appreciate it, but we also value certain aspects of it because they relate directly to the livelihood and the well-being of those people.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Saint-Maurice, I would just like to go back to Motion No. 14. I think the gremlins were at work yesterday. Being Halloween, I am sure this is what happened. I think we should insert—

[*Translation*]

"La Société devrait offrir [—en français et en anglais—].

[*English*]

I am sure that will settle the problem.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, Motion No. 14, in the name of my colleague form Mount Royal, has already caused a great deal of comment today. Nevertheless, I want to speak to this particular motion as well. The hon. member from Mount Royal, who worked very hard on the legislative committee on Bill C-40, should bear in mind that the CBC did not need legislation to create CBC News World. It did not need special legislation. And I may add that we on this side of the House are also in favour of letting Radio Canada create

a French 24-hour all-news service. In fact, we voiced our disappointment when the CRTC rejected Radio-Canada's initial application. It seems that Radio-Canada is now preparing a new application which, I am sure, will meet the CRTC's objective criteria, so that Canada's French-speaking audience will have access to the same kind of service that Anglophones enjoy at the present time.

Francophones in this country, Mr. Speaker, did not appreciate the fact that during the Meech Lake talks and the crisis with the Mohawks in Oka, they had to rely on CBC News World in English, since we did not have the equivalent service in French. Bearing this in mind, I earnestly hope Radio-Canada will soon be able to submit its proposal to the CRTC.

Mr. Speaker, the opposition motions now before the House are in fact aimed at enshrining in the Act a formal obligation for the CBC to continue to provide four services it provides at the present time, including Radio Canada International, the Northern service referred to by the hon. member for Western Arctic, the Parliamentary Channel, the all-news service and as well as one that has yet to be created, the French news channel. Or will it be a bilingual channel? Why not?

At this time, Mr. Speaker, none of these services is part of the mandate of the CBC as defined in the Act. Although the present legislation contains a provision under which the Corporation, as an agent of Her Majesty, is to offer an international service, Radio Canada International, a service offered under this specific provision, was established by order in council. Would it not appropriate to enshrine all these services and others as well, Mr. Speaker, in the mandate given the Canadian Broadcasting Corporation? Of course members on this side of the House agree these are all excellent, quality services, and we would like to see them maintained, unless due to unforeseen circumstances the Corporation had to change its priorities.

What could these famous circumstances be? The first example that springs immediately to mind is the proposition considered by this House in recent months whereby a consortium of cable companies might broadcast parliamentary debates. Should the House be prevented from accepting this suggestion which would enable the CBC to save money, something which would undeniably make for judicious use of resources because the CBC was given the legislative mandate to carry the parliamentary proceedings?

[*English*]

What about the all-news service? The CBC started the service calculating that it would be entirely self-supporting and it was licensed on that basis. The CBC obviously had no desire to provide such a service if it would siphon resources from the basic service. The government's acquisitions in this new venture were similarly based on the CBC commitment that all-news would not siphon resources away from the basic service which, as we all know, is stretched to the limit now. Should we now insert a provision into the legislation which would permit exactly this to happen?

[*Translation*]

Mr. Speaker, CBC International is altogether different from northern services, or from the 24-hour French news service, CBC Newsworld and the parliamentary broadcasting system. What is the difference, Mr. Speaker? Quite simply, all these networks are first and foremost serving their Canadian audience, whereas CBC International is intended almost exclusively for Canadians abroad and listeners in foreign countries. Here is one example.

CBC International reaches millions of listeners in eastern countries, particularly the Soviet Union, the Baltic States, and Czechoslovakia. Indeed, Mr. Speaker, Canadians might be surprised to learn that CBC International attracts more listeners than the CBC network does right here in Canada. This is why CBC International has always rated so high.

When in Cuba recently I had an opportunity to talk to ordinary Cuban citizens and they told me their only reliable sources of information in Spanish are the CBC International network and the Voice of America.

I think this international service must be maintained. As I suggested during the legislative committee hearings on Bill C-40, it should be given official legislative recognition so that no government—this or any future government—would be able to abolish it through an order in council. The government would have to debate the issue in Parliament because this is the kind of service offered by nearly all countries of the world.

In this respect I think a difference has to be made between CBC International and the other services. There is something I want to repeat so that it be quite clear. We on this side of the House—and I think I speak for all my colleagues—want early CRTC approval for the French version of the all news channel. But, and I end on this note, Mr. Speaker, CBC management did not need legislation to set up the CBC Newsworld network, and I do not see why we would need a law to have the same service in French.

[*English*]

Mr. John Harvard (Winnipeg–St. James): Mr. Speaker, please remind me when I have two minutes left so I can give it to my hon. colleague from Halifax.

I would like to make an observation before I make comments with respect to this cluster of motions. Finally, we have heard from a Conservative backbencher.

We have before us now one of the most important bills, C–40, to come before Parliament in this session. I was beginning to wonder where the Tories had gone. Have they vanished? Have they left this planet altogether? Are we to believe that the Tories do not care about this bill? Are we to believe that they do not care about national unity and taking the national unity mandate away from the CBC? Are we to believe that they do not care about balkanizing the CRTC? Are we to believe that the Conservative Party and the backbenchers are not concerned about splitting the CBC board in two? Have these backbenchers become such lap dogs for the Prime Minister that they will not get off their hind ends and speak to this bill?

• (1250)

An hon. member: Talk about the bill.

Mr. Harvard: Mr. Speaker, please tell the man to just cool it a little. It really concerns me that these people are not taking part in this debate because I know that they are not all happy with this bill. I can tell you that the hon. parliamentary secretary is not a happy camper these days. He is glum, he is gloomy, because he knows that the government is trying to ram this bill, which is flawed to its core, through the House. Some of the people on that side of the House have a terrible case of political indigestion, but nevertheless, it is indigestion.

I want to make that observation because I think it is highly relevant and germane. I want the Canadian people to understand that they are over there silent and sitting on their hands doing absolutely nothing. I can assure the House that in their private offices, they are complaining and grumbling.

We have to be concerned that particular CBC services such as the northern service, the parliamentary service, the international service and the all–news channel, are not recognized services within Bill C–40. These are absolutely vital services, not only of the CBC but for national unity. These are absolute vital services for national unity.

We have already heard words of support for the all–news channel of the CBC. It has done a tremendous service and I hope that it will grow. One of my concerns is that if these services are not given what you might call statute protection in the bill, then with a government that has no faith in the public sector, public utilities or public ownership, that some day—and this might be a little bit of hyperbole— we may wake up and find that all these magnificent services have vanished or have been reduced to such a level, so crippled that they are not worth anything.

My hon. friend from Port Moody—Coquitlam mentioned how the CBC has been diminished by this government. It is absolutely true. I think it is extremely important that these services be ongoing and given legislative protection because they need funding, more funding than they have now. I think all Canadians who support the CBC—and most Canadians do—would feel much more comfortable if those important services were written into Bill C–40.

Mr. Speaker, I would like to give my time over to my esteemed colleague.

Ms. Mary Clancy (Halifax): Mr. Speaker, I would like to thank my hon. colleague—

The Acting Speaker (Mr. Paproski): Please start. It is All Saints Day. Let us have a little calm in this Chamber.

Ms. Clancy: Mr. Speaker, I would like to thank my hon. colleague from Winnipeg–St. James for giving me the opportunity to make a few comments on these particular amendments.

[*Translation*]

Twenty–three years ago today, Mr. Speaker, the honourable Judy Lamarsh opened the debate on the broadcasting legislation.

[*English*]

In other words, 23 years ago today in this Chamber, the Hon. Judy Lamarsh brought in the first broadcasting bill. I think the time has come to renew that bill, bring that bill forward and this time let us get it right.

On this particular set of motions and amendments, we have a number of concerns. My friend and colleague from Western Arctic spoke very eloquently on the whole question of the northern service. In speaking to these amendments yesterday, and I hope at future times, we keep bringing up the subject of national unity and how the CBC is a force for national unity.

Since I became a member of this House, I have been very fortunate in that I have been able to travel in the north. Without the unifying factor of the CBC, without the CBC's broadcasting abilities in northern Canada, what would be the unifying factor in northern Canada? It would be that most northern televisions have access to Detroit cable stations. Somehow, close as Detroit is to Windsor, it does not quite do the same job. We do not need American television as the only link in a broadcast sense, in a television sense to our northern citizens.

I spoke a bit yesterday about the need for the inclusion of Radio Canada International. When I was a graduate student in the United Kingdom, as I said, I and my Canadian friends would wake ourselves up at three o'clock in the morning to hear the Stanley Cup play-offs. We would get up at odd hours to hear *As It Happens*, to hear various and sundry other public affairs programming from Radio Canada International because that was our link to our home country.

Above and beyond that, and important as it is for Canadian nationals living abroad, the other important service that Radio Canada International provides for Canadians as a group is it presents a picture of us to the international community. When they hear top-notch public affairs programs, such as *Sunday Morning*, such as *As It Happens* and various and sundry others; *Ideas* is another one that springs to mind that is frequently replayed on Radio Canada International, it creates for us an image that I suspect most Canadians would be proud to own.

To leave this out of the broadcasting bill, to just pass over this institution, which means so much to Canadian prestige, is I think a terrible oversight.

I want to conclude by a saying a little bit about the parliamentary service. The parliamentary service is something that is very dear to all of us. Clearly it is a link for every one of us in this House to our constituents and to people across the country. If the idea of omitting the parliamentary service as well from this bill is the beginning of privatization of the coverage of the House of Commons, then this is indeed a frightening and ominous decision.

People across this country watch this channel. I think every one of us knows this, sometimes to our sorrow and sometimes to our pleasure, that many, many of our constituents watch the parliamentary network to keep abreast of what is happening in debate, to ensure that they are as well informed as they wish to be about the doings of Parliament. I am sure that most of my colleagues in this Chamber would agree that from time to time they hear from their constituents about something we have said or some comment we have made that has not gone unnoticed by the people at home.

The only way to maintain this, away from the possibilities of conflict of interest, et cetera, is to keep this service in and under the aegis of the Canadian Broadcasting Corporation as a Crown corporation. That is the only way to ensure that the parliamentary service does not either diminish in its coverage or that various and sundry abuses, which could arise from privatization, do not take place.

The other thing that I wanted to discuss is the whole question of the news service.

The news service in both languages is crucial because of the opportunity it gives Canadians to see an in-depth look at the news. We are not restricted to the 30-second clip or the seven-second clip. One gets in-depth coverage and one has some idea of what is going on behind the news story. It should be available in both languages. It should be the right of all Canadians to hear news coverage in both languages.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ANTI-SEMITISM

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, Canadians condemn another racist attack on Jews in Canada.

Last Friday evening, when the Jewish Sabbath had begun, a group of teenagers attacked seven Hasidic Jewish men in Outremont. The men wore traditional long coats and fur trimmed hats. They were plainly Jews going about their religion in a district where 2,500 orthodox Jews live. Hasidic Jews are known for their non-violent way of life. The teenagers, boys and girls from the south shore district, punched and kicked the men, broke the glasses of one and took his shtreimel, his traditional hat. There is no report of money being demanded or taken.

Considering that the Ku Klux Klan recently set up a chapter in the area, one must agree with Professor Julien Bauer of the Université du Québec à Montréal who said: "It's not a coincidence, it's pure racism."

Mr. Speaker, this is a threat to every Canadian.

Some hon. members: Hear, hear.

* * *

[*Translation*]

ENTREPRENEURSHIP

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I recently visited an office furniture manufacturing company operating in my riding. The name of the company is *Meubles et Fonctions D.L. Inc.*

This business founded in 1977 by two twenty year old young men now employs 50 or so people to produce and install their product across Canada and produces about a hundred desks daily. They also conceived a lign of ergonomic desks, that is to say workstations completely adaptable to the user's needs, which caters to future needs in office automation.

Mr. Speaker, I believe that young people such as Mr. Michel Lapointe and Mr. Yvon Denis, the president and vice-president of the company, who are now 33 and 34 years old respectively, are an important asset for our country and deserve our support to make their business grow even more.

* * *

[*English*]

ATLANTIC PROVINCES

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the recent report of Dr. Charles MacMillan to the Council of Maritime Premiers calling for economic unity among the maritime provinces is timely and appropriate.

With trade barriers coming down around the world, it is time for the maritime provinces to follow suit. Trade and commerce between the provinces is currently discouraged by regulations affecting agriculture, transportation, safety, tendering, sales tax, and on and on.

If Atlantic Canada intends to be an equal partner in Canada, it must first remove the trade barriers and maximize the economic opportunities available right at our very own doorstep. I encourage the Council of Maritime Premiers to push ahead with these plans, and I will work towards this goal myself.

* * *

SUICIDE

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, on October 28 to October 31, the Canadian Association for Suicide Prevention conference was held in Vancouver. I attended as a board member but also as having lost two brothers to suicide.

Suicide is a major health problem and is second only to accidents as a cause of death for young people in Canada. Canada's suicide rate is consistently higher than the suicide rate in the United States, and it is costly to society. It will not go away, and there is genuine fear out there that too little attention is being paid to the issue.

The theme for the conference was "lifting the silence" and that is what we have to do.

Seven years of hard work had gone into producing *Suicide in Canada*, a national task force report. It remains unclear as to how many of its recommendations have been implemented. It is known that for every

successful suicide, there are numerous other attempts. Surely this tells us that a greater number of our citizens are living lives of quiet desperation, facing an intolerable level of psychological pain. The report's recommendations must be acted upon, because we are losing our best resources, the people, to suicide.

* * *

[*Translation*]

CANADA CAREER WEEK

Mr. Jean-Guy Guilbault (Drummond): This year's theme of Canada Career Week: "Managing Your Career to Manage Your Life", is of particular importance for high school students.

The drop-out rate is huge. One high school student out of three drops out of school before graduating.

Jobs in the 1990s require extensive training. More than two thirds of the jobs created by the year 2000 will require at least twelve years of post-secondary education as well as occupational training.

I urge the young Canadian in my riding and all young Canadians to take part in Canada Career Week, from October 28 to November 3, and attend the many events staged by schools and community organizations in conjunction with Canada Employment Centers so they can learn about the many opportunities open to them and make the necessary steps to embark upon an exciting career in line with their personal aspirations.

* * *

[*English*]

CFB CHATHAM

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, New Brunswickers, especially Miramichiers, have had enough of the juvenile foolishness of the Minister of Fisheries *vis-à-vis* the issue of the firing range for the low-level air defence school in Chatham.

This minister, who has political responsibility for New Brunswick and an obligation to do his best for her people, is now trying to kill a project which is vital to the people of Chatham and New Brunswick. It is also vital for low level air defence.

By his actions, this minister is putting in jeopardy the livelihood of at least 1,000 Miramichiers and an input of some $20 million a year into the local economy.

It is time now for the Prime Minister to take his minister aside and set him straight *vis-à-vis* his responsibilities to the people of New Brunswick. It is time for the Prime Minister, who in 1984 proclaimed Chatham as his hometown, to instruct this dilettante delinquent on his duties, or is this just another double cross?

* * *

[*Translation*]

ANTI-SEMITISM

Mr. Jean-Pierre Hogue (Outremont): As was pointed out in the House on a previous occasion, Mr. Speaker, last Friday on the eve of the Sabbath, nine Hassidic Jews were attacked near their homes in Outremont. Apparently their aggressors are members of a gang of youths from outside the island of Montreal.

Mr. Speaker, it really does not matter whether this attack or any similar premeditated or unpremeditated act of aggression is directed against members of the Orthodox Jewish community or any other group in our society. Outremont residents and hon. members alike deplore and unreservedly condemn these acts and their perpetrators. We ask that the full weight of the law be brought to bear by the authorities.

Mr. Speaker, the cultural diversity of the residents of Outremont is a source of wealth for all Canadian citizens. The mutual respect in which we live is too important to be taken for granted and requires our immediate attention.

[*English*]

I would urge all members of our society to continue working to better understand one another and to appreciate more fully the values and principles of human dignity and spirit we hold and share in common.

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CANADIAN WHEAT BOARD

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, after successive seasons of Grinches, Christmas is coming early to the hundreds of Canadians involved in grain production, handling, and transportation. The irony is, we do not know who the early Santa Claus is.

Has the Wheat Board made a $1 billion grain sale? Is it the Soviet Union and/or Brazil that is purchasing our grain?

Well, who is wearing the white whiskers does not matter, Mr. Speaker. What does matter is that farmers on the Prairies, grains handlers in Saskatchewan, Manitoba, Ontario and Quebec, railroaders between the prairie elevators and Thunder Bay, and seafarers throughout the Great Lakes–St. Lawrence Seaway system will gain from this early Christmas present. So, too, will the elevator operators, the railroad companies, and the ship–owners, as well as municipalities, and federal and provincial governments, as Canadian workers are back on the job.

Yes, Canada, there is a Santa Claus. I think, Mr. Speaker, it is the highly regarded Canadian institution, the Canadian Wheat Board, that has done this job on our behalf. Thank you on behalf of all those who will benefit.

* * *

TRADE

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the tendency for Canadians who live along the Canada–U.S. border to shop regularly in the U.S. is increasing at an alarming rate.

A recent study has shown that this trend has taken between $300 million and $600 million annually out of the Ontario economy during the past three years. Among the many devastating effects of the GST will be a further price differentiation in retail products between Canada and the United States.

• (1410)

For the government merely to say that Canadian retailers must become more competitive is to ignore the many advantages that the U.S. retailer has over his Canadian counterpart. The 4 per cent to 5 per cent spread in interest rates, plus the effects of the pending GST, are only going to encourage further American retailers to target the Canadian shopper. Depressed Christmas sales plus the 7 per cent GST beginning on New Year's Day, will add up to an out of business sign for many small retailers in Canada—

Mr. Speaker: I regret that the hon. member has exceeded his time.

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[*Translation*]

TRIBUTE TO LOUIS–FRANÇOIS GAGNON

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, Louis–François Gagnon is a young man from Mont–Laurier who, as a result of remarkable efforts and strong will, is on the verge of becoming an international celebrity on the downhill ski slopes.

Cities and regions that can claim to be home to such a leading and talented athlete are few and far between in Canada. Mont–Laurier and the neighbouring regions can do so. Through unrelenting and sustained work Louis–François Gagnon stands as an example for our youths and a first class representative on the international scene.

Aware that such endeavours require financial support, area residents have begun collecting funds to help finance the training of this outstanding athlete, and I commend them for that.

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[*English*]

THE ECONOMY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, yesterday afternoon the Minister of Finance rose in the House to tell ordinary Canadians that "in my job on Bay Street I took a cut in salary."

The fact is that the Minister of Finance was Executive Vice–President of Dominion Securities when he took his cut in salary, a job that paid him approximately $100,000 a year, almost 20 years ago. Today, that would be approximately $350,000.

The finance minister's sob story that he had to surrender some of his champagne wishes and caviar dreams when he was a big shot on Bay Street just does not compare with the plight of working people and the hardship of thousands of Canadians who rely on food banks every month to put a meal on the table or Canadians who cannot afford a decent place to live.

The Minister of Finance showed an appalling and shocking insensitivity, and clearly demonstrated to all Canadians how totally out of touch the minister and the Mulroney government really is. The Minister of Finance should stand in his place, hang his head in shame, and apologize to Canadians—Canadians who are losing their jobs, their business, their farms—

Mr. Speaker: The hon. member's time has expired.

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[*Translation*]

FESTIVAL DU CINÉMA INTERNATIONAL IN THE ABITIBI–TÉMISCAMINGUE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, today is the last day of the ninth Festival du Cinéma international in Rouyn–Noranda, in the Abitibi–Témiscamingue region. For the ninth consecutive year, the festival has been exceptionally well received. More than 90 films from 24 countries—a satisfying menu indeed.

Mr. Speaker, I want to take this opportunity to congratulate Mr. Jacques Matte and his team, as well as the army of volunteers who once again helped to make this event an unqualified success.

We also want to thank the people in the film industry who came from across the globe. Our thanks also to the media, to our sponsors, including Telefilm Canada and the Department of Industry, Science and Technology. And above all, thanks to thousands of film buffs who by their diligent attendance have made the Festival du Cinéma International in Abitibi—Témiscamingue such a tremendous success.

* * *

[*English*]

UNITED NATIONS SECURITY COUNCIL

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today the United States has taken over the presidency of the Security Council of the United Nations as part of the monthly routine rotation of that office.

That the U.S. assumes this position at such a critical time in the gulf crisis is of great concern to many. The U.S.-led Operation Desert Shield, which has occurred outside the realm of the United Nations and the Security Council, raises questions about the commitment of the U.S. to give UN primacy in this conflict.

Last week we heard the Secretary of State for External Affairs admit publicly that his government would go to war without UN approval if necessary, in direct contradiction to his own previous statements that the Canadian policy should derive from the Security Council resolutions.

Now that the U.S. has taken over the presidency of the Security Council, I call on the U.S. to use its position on the council to encourage a UN command system in the gulf crisis.

I also call on the Canadian government, instead of threatening war, to use its own diplomacy and UN initiatives to find creative ways to ensure a peaceful resolution to the gulf crisis and the release of Canadian hostages in Irak.

* * *

TRADE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have here a letter addressed to the President of the United States, George Bush, Oval Office, White House, Washington, D.C., U.S.A.

Dear President Bush:

I understand that a bill sits on your desk in your oval office awaiting your signature.

This bill includes the Mack amendment which forbids Canadian subsidiaries of American parent companies from trading with Cuba.

Mr. President, you are no longer running the CIA and their covert operations in Canada and Latin America. As you sit at your desk I want you to remember that the Canadian Government is about the only crony who will follow your marching orders in good times and in bad times.

Mr. President, in spite of your obedient servant Brian Martin Joseph Mulroney from Baie Comeau, I can assure you that 26 million Canadians are resentful of this attempt to decide who we should trade with and you have no right, Mr. President, to tamper with our client list.

On behalf of my brothers and sisters in Canada, I urge you to respect our Canadian sovereignty and democracy.

Defiantly yours, John Rodriguez.

[*Translation*]

MEMBER FOR BURIN—ST. GEORGE'S

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Public Accounts for 1989-1990 list member's expenses, so it is easy to identify the member with the highest bill for travel expenses. Average travel expenses for private members were $35,000.

I found that travel expenses for former Tory MP Joe Price, who represented the federal riding of Burin—St. George's in Newfoundland, varied between $32,000 and $42,000 annually from 1984 to 1988, while his sucessor, the Liberal member for Burin—St. George's managed to spend $118,865 of taxpayers money over a period of 12 months.

This is unheard of for a private member in Ottawa, and I hope, Mr. Speaker, that he prepared his claims in his office, not in his game room or bar!

* * *

[*English*]

CANADA CAREER WEEK

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, this week I and my colleagues have risen to proclaim Canada Career Week, a time to applaud our communities and inspire young people to finish their education.

Across Canada, teachers and parents, governments and business are urging students to work toward a career instead of dropping out of school.

Cobalt-Haileybury High School, in my riding of Timiskaming, has its share of drop-outs, but dozens of them are realizing their potential and we are bringing them back to the high school to finish grade 12 and learn a trade. They attend school two days a week and work three days for local tradespeople who employ them as apprentices. You have to be trained today and whatever the economic conditions are, funding is a major problem. This major project is funded under the government's Jobs Strategy "Innovations" program, until 1992, which embodies, I believe, the true spirit of Canada and Career week.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance will have noticed today that his induced retrenchment or his technical recession, as he has been calling our current economic situation, has just cost another 1,000 Canadians their livelihood with the announcement of lay-offs at Sears Canada. This is on top of 2,900 lost jobs at Air Canada; 900 at Worldways; 1,500 at CN; over 700 at MIL Shipbuilding; 650 at Harding Carpets, and on and on.

Canadians need more than yarns about the Minister's hard times on Bay Street. What plan does he have to help Canadians whose livelihoods have been taken away from them as a result of this economic recession? What is the government going to do?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, besides getting rid of the manufacturers' sales tax, which will of course put all our manufacturing sector in a much more competitive position—

An hon. member: Exactly. The opposition says no, but the manufacturers say yes.

Mr. Hockin: He asks specifically about Sears Canada and Harding Carpets. Sears Canada has no intention of closing any of its stores, contrary to the rumours in the media. The company, in fact, is making offers of early retirement to a number of employees, but plans no lay-offs.

In terms of Harding Carpets, I am pleased to tell the hon. member that negotiations are continuing with the bank, and it appears to be more hopeful today than it did yesterday.

• (1420)

Mr. John Manley (Ottawa South): Mr. Speaker, I think what is profoundly disturbing to Canadians is that the Prime Minister has admitted that this recession was a planned recession. We know that the Canadian Manufacturers' Association has said that this is not just a cyclical downturn. Then, this morning after meeting with the Minister of Finance, the social policy reform group said: "The minister was unwilling to make commitments to assist those people who will be most hurt by the recession".

[*Translation*]

My question to the Minister of Finance is this: Could he tell the House what steps he intents to take in view of the personal tragedies facing Canadians and the economic hardship resulting from his own policies? What is the government planning to do?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hesitate to say this to the junior finance critic, but he has distorted what the Prime Minister has said and he knows that. As far as the essence of his question and what the groups that I met with this morning have said to me, they are anxious to see a significant rise from the current level of programs that help those in greatest need.

I indicated to them that on the one hand we have those organizations saying that they would like to see a greater increase in safety net spending and on the other hand we have a deeply held point of view from other people who have looked at the arithmetic of deficits and deficit financing and have said that we must continue to deal in getting the deficit down.

I would like very much to increase the safety net spending. I would like to be able to help all the people as much as they feel that we should be helping all those people who are losing their jobs. But we simply cannot do so and still maintain our commitment to get the deficit down because we know that getting the deficit down will help us get interest rates down. Getting interest rates down will help improve the performance of the economy and help people in all parts of the country with a healthier economic environment.

That is the difficulty. That is the balance that we have to find as governments. We are working hard in the consultations that we are having to find that correct balance and that is the purpose of the consultations I had this morning with the social policy groups.

Mr. John Manley (Ottawa South): Mr. Speaker, it is not a question of who is distorting what. It is a question of the people of Canada asking the Minister of Finance to be accountable for his policies and to state how he is going to get us out of the mess he has got us in.

He likes to quote the Canadian Manufacturers' Association. He will know that they have come up with a competitiveness index that showed that Canada's competitive relationship with the other G–7 countries has fallen drastically since 1984. What policies does the minister have to improve our competitiveness with respect to those countries? What is he going to do about the widening productivity gap? What is he going to do about the permanent job loss that has occurred as a result of his policies?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will be accountable for my policies, the policies I am responsible for in this government any time, any place in Canada. I have done that and I will continue to do that on an ongoing basis.

The hon. member refers to a productivity index. There are other productivity indices as well. The World Economic Forum, which measures the competitiveness of some hundred countries, put us as a country I think it was in the eleventh place in 1983 or 1984. The latest number they have had I believe was in fifth place. Looking at the broadest possible range of measures of competitiveness, broader than that of the manufacturers' association, we have improved our competitive position during that time.

He talks about what we are doing to improve our productivity. That is the essence of the government policy we have been following. The deregulation of the energy sector, the transportation section, the financial services sector, privatization, tax reform for both income tax and sales tax, and the hon. member knows that one of the key elements of the GST reform is to improve the productivity of our manufacturing resource sectors so that they can compete more effectively in international markets. He should come straight with the goods.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is directed to the Minister of Finance. This morning the minister met with the social policy reform group concerning his upcoming budget.

Lise Corbeil Vincent of the National Anti-Poverty Organization explained to the minister, and I quote: "Poor Canadians will be hit hardest by the recession, rising unemployment and inflation". They will have no choice but to rely on the different programs that form Canada's social safety net. Will the minister commit himself in the House today to stop his relentless assault on Canada's social programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no relentless assault on Canada's social programs.

If the hon. member would state what we stated clearly in the last number of budgets, where we have been cutting spending is to avoid to the maximum extent possible hitting those safety net programs. This year spending in the federal government will go up $3.2 billion. Three billion dollars of the $3.2 billion is payments to senior citizens, family allowances, unemployment insurance benefits, veterans pensions and allowances, payments of equalization to low-income provinces, social welfare payments that we share 50-50 with low-income provinces, payments to Indian peoples on health care, education and housing. That demonstrates that we have not changed any of those programs. We are fully committed to those and to suggest otherwise is also a distortion.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, Canadians do not need the minister's 25 per cent solutions.

I have a supplementary question. The social policy group also correctly pointed out, and I quote: "The federal government has cut billions from social spending and raised billions more through income taxes by partially deindexing the tax system and key social programs". When will the minister resist his impulse to help his Bay Street buddies and start helping some of the hundreds of thousands of Canadians that he has put out of work because of his ill-conceived economic programs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the preamble to that question is again riddled with distortion. If the hon. member looks at the policies we have been following as a government, he will see that with things such as a refundable sales tax credit, the substantial increase in the child tax credit, and the effects of income tax reform have been designed so that people in upper income tax brackets are paying a greater share of the tax burden of this country, a significantly greater share of the tax burden than was the case when we came into office.

This is a clear indication of our commitment to those social safety net programs and a desire to make those programs work, not have the effect of helping those people in upper income brackets such as the members of the Liberal Party have who have continually opposed the tax-back of the old age security for those who earn more than $50,000. That is an example of how we are targeting—

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

Later today we are going to be discussing national unity and, hopefully, the willingness on the part of this government to listen to what Canadians have to say. I would point out to the Deputy Prime Minister that for fishermen, farmers and working people throughout this country, those hundreds of people who are being laid off every month, the issue of the day is how they are going to make it from day to day, how they are going to continue to raise their families, stay in business and pay their bills.

It has taken years for this government to finally come to the realization that it is important to listen to Canadians. But the 1 million unemployed Canadians do not have the time to wait. So, I ask the Deputy Prime Minister, what about listening to Canadians now, withdraw the GST, listen to Canadians, lower interest rates, listen to Canadians and listen to what Canadians are saying about the economic strategy of this government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is not anyone on this side of the House who is happy about the fact that there are about 1 million people unemployed today. But, I will tell you what we are happy about, the fact that there are more than 1.5 million people who are employed today who were not employed six years ago. That is a measure of the economic programs that we are following.

• (1430)

The Leader of the New Democratic Party says that we should not go ahead with the GST because it will hurt low income people. That is a distortion of the policy of the government, because the GST credit, which is going to be paid by cheque four times a year starting this December, before the GST goes into effect, will offset the impact of sales tax reform so that families who are earning less than $30,000 will be better off after sales tax reform than is the case today.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister.

This government's economic policies have not only failed; they have sold Canadians down the river. If this government had listened to what Canadians said, we would not be in the position that we are in now.

[*Translation*]

The best thing the government could do today to bring Canadian men and women together and unite them in pride and hope would be to listen to our poor families who are overburdened with taxes. My question is directed therefore to the Deputy Prime Minister.

Is he finally going to listen and withdraw its GST? Is he going at last to impose a minimum tax on profit making corporations which are currently paying no tax at all?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says that our policies have failed. How is it, then, if with failed policies we are number two right after Japan in economic growth from 1984 right through to the end of 1989? How is it that if our policies have failed we are number one of the major industrialized countries in job creation? The policies of this government have been working.

The Leader of the NDP says that we should scrap the GST. She is concerned about the economy. We should listen to what experts have been saying who understand the tax system in this country, what they have been saying since 1940 and again in 1956, 1963, 1966, 1976, and 1983. People time and time again have said: "Scrap the existing federal sales tax, put in a new type of consumption tax, and the result will be a healthier economy".

If the hon. member wants to go back in the last little while, let me ask the Liberal members of Parliament, what is Jean Chrétien saying now? Last week—

Mr. Speaker: The hon. member for Yukon.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Minister of Fisheries and Oceans.

We will be debating, as I said earlier in this House today, Canadian unity and listening to Canadians. Three days ago when I was in Newfoundland, I met with workers from Grand Bank, Newfoundland who want to be listened to also. For these people and thousands like them, their way of life is being devastated because this government's economic policy has been to turn the fisheries over to the corporations and not to operate in Canadians' interest.

Right now there is a conference going on in Ottawa on sustainable development in fisheries. Why did the Minister of Fisheries and Oceans refuse to invite anyone from the unions representing fishermen and plant workers? Why won't he listen to these experts? Why won't he listen to the people who know the industry, who do it every day?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, if the only purpose of that hon. member is to try to picture this minister of fisheries as a person who is not listening to fishermen in the regions of Atlantic Canada, I think she is not at all in tune with the facts.

I constantly deal with fishermen and with the unions of Newfoundland and Labrador, Nova Scotia, New Brunswick, P.E.I., and even on the west coast.

This hon. member grandstands in the House and wants to pretend that the downturn in the Atlantic fishery is because of economic mismanagement.

I would just like to remind her that at no time have we ever reduced the inshore allowance of the people with whom she met. We have reduced the quotas of the big corporations, but never the inshore allowance of inshore fishermen. How can she stand in this House and blabber these comments that do not make sense at all?

* * *

[*Translation*]

EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, the MIL Corporation announced that it was planning to lay off 700 workers in Tracy, Quebec, including 400 this coming December, bringing to over 12,000 the number of workers laid off in the Montreal area this past year. Meanwhile, the government has decided to make major cuts in the unemployment insurance scheme.

Mr. Speaker, when will the government take seriously the unemployment situation in Quebec and change its disastrous policies? When can we expect an economic expansion policy instead of a recession policy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member might ask the Quebec government why it has harmonized its sales tax with the goods and services tax. There are very important economic benefits to be gained by the people in the province of Quebec by a province taking that attitude.

If the hon. member is worried about economic growth, he should go right down the hall now to the Senate and ask Senator Gigantes why he is reading his book. He spent over six hours simply reading his book into the record of the Senate.

For what reason? The only reason I can gather that he would read this in English into the microphone of the Senate is so he could get a free translation.

Some hon. members: Hear, hear.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, none of that is helping the thousands of people who are losing their jobs. None of that is helping.

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Allmand: Mr. Speaker, yesterday there were 700 lay-offs at MIL in Sorel and there were 12,000 lay-offs this year in the region of Montreal: Via Rail, Domtar, Vickers, Simpsons, General Electric, Gillette, Marconi, Weston Foods, Goodyear, Pascals, Valmet Dominion, Clairol, and Miracle Mart.

When is the minister going to stop giving us that bunk and start doing something to help people in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, all I can say is that Senator Gigantes is doing nothing to help the unemployed workers in this country.

He mentioned these companies, the company in Sorel and Vickers, Gillette and Marconi. All of those companies would be helped by the goods and services tax.

They will be helped because they are competing against imports. They will be helped because they are exporting companies. It is accepted by every economist in this country that that type of organization is helped by the GST.

Let me ask you this, Mr. Speaker. What does this mean here? Last weekend we had a strong Jean Chrétien saying: "This GST won't see the light of day after I am elected."

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): But then, when pressed on what he would do to find the $20 billion and what he would do to replace the GST, what did he say: "I never said I would repeal the GST the first day I got into office."

* * *

FINANCIAL INSTITUTIONS

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of State for Finance.

The Auditor General said this week that the Superintendent of Financial Institutions needs a better early warning system to sound the alarm when financial institutions are in trouble.

What specific action will the minister take to improve the warning system? Will he admit that his government has been hindering the superintendent's efforts by taking so long to bring in modern financial institutional legislation?

• (1440)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would say that the hon. member is drawing a lot of conclusions from the Auditor General's report.

I think the Superintendent of Financial Institutions is running a very fine shop. We have modernized it and have given him additional power. He has been very involved in all reform.

I think the hon. member should see what has happened since the Auditor General went to visit that institution. The superintendent reports to me regularly. He has been taking very precise measures to remain on top of things, and he is on top of things.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I do not feel I am drawing conclusions. The complaints are there for anybody to read.

Also the Auditor General has said on page 584 of his report that one of the reasons the superintendent is having problems is that this government has taken so long to bring in modern trust and loan company legislation.

Will the minister not admit that his government's inaction has reduced the effectiveness of the superintendent's office? Will he also tell the House what he is going to do about the Auditor General's recommendations that are not covered by Bill C-83?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): It is of course essential, Mr. Speaker, that the Office of the Superintendent of Financial Institutions runs a very important shop for our financial institutions.

They have been involved daily on all reform. They have been with us and have been the best advisers we have ever had. We have made major changes. They have all the means that they need to have because they recuperate their funding from the institutions themselves. In no way have we hindered them. On the contrary, we are prepared to work with them to be sure that this country has the best system of supervision it is possible to have.

* * *

HAVILLAND

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology or, rather, his surrogate.

Today, the CAW is taking the government to court to ensure enforcement of contract provisions agreed to between the government and Boeing Corporation which were intended to ensure that airplane production, research and development, and jobs would remain at de Havilland in Canada.

My question to the minister is quite simple. Why should Canadian workers be forced to take their own government to court to ensure that when de Havilland is acquired by two foreign governments the jobs of Canadians will not be threatened?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the House knows, and I hope the hon. member knows, that when this particular company was sold it was sold to Boeing Corporation, which is one of the best marketing companies in the world. Since then, the order book for that particular company has grown and grown through de Havilland.

However, they have decided that given the kind of market they want to be in they would like to make the sale. They are going to look at potential buyers. They have brought this company to a state of health which is much better than it ever was before it was originally sold to Boeing. When the offer to purchase comes, of course Investment Canada will look at it to see that it is a net benefit to Canada.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the minister's surrogate evidently agrees with the minister who, in a meeting with the CAW, is quoted as having said that Boeing owns the plant and can do whatever it wants to do.

Is that how the minister sees his job, to very nearly give away de Havilland, hand over about $200 million of taxpayers money to Boeing Construction, and then for the government to sit on its collective butt while Canadian jobs are given away?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, if the hon. member calls creating over 1,500 jobs at de Havilland in the last three years sitting on its butt, I do not know what he is talking about.

The hon. member knows—and he talks a bit like a surrogate for the CAW when he asks his question that this particular matter is before the courts. He also knows that in his question there were three hypotheticals. We do not even have a sale yet and we have this particular matter before the court.

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[*Translation*]

GOVERNMENT INFORMATION SYSTEMS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is directed to the Minister of Supply and Services. The Auditor General's report was quite clear and explicit concerning the use of computers, especially dealing with the threats and risks of illegal computer penetration and infestation, as well as safeguarding the data which are so vital for the delivery of government services. Can the Minister tell us why, after five years of warning, this situation still exists?

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I can assure the hon. member that the Ministry of Supply and Services regularly checks the security of the computers. He should also be assured that it is only very low level intelligence that is in any of those computers because it is kept in our own secure places rather than contracting it out.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Having read the Auditor General's report, Mr. Speaker, I just cannot believe the Minister's reply. It's a fact, there was carelessness. When are you going to correct this situation in order to safeguard the confidentiality of computer information involving with thousands of Canadians? Is the Auditor General's report completely wrong?

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, all of the extremely important information which we have is kept on our own computers. The material that is contracted out is of a lower level of security. I want to tell the hon. member that every area that is contracted out to is regularly inspected for security and this has been the case for the last five years.

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TRADE

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question was to the Minister of Finance but since he is not here I will direct it to the junior Minister of Finance.

The reason Canadians from border communities are shopping in the United States is a matter of cost. The GST will add to that problem by removing a 13.5 per cent tax on manufactured goods and replacing it with a 7 per cent tax, a 6.5 per cent tax benefit to cross border shoppers.

Does the minister realize what that cost is in terms of Canadian business? Will the minister save hundreds of border community businesses and get rid of the GST?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, there are always border problems in a country like Canada which has such an extensive border between the two countries.

The GST will improve the situation of Canadian businesses and their competition with the United States. He himself admits it will improve their competition capacity with the Americans.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the junior minister should be aware that $2 billion—

Some hon. members: Order.

Mr. Speaker: I think that we should exercise proper and polite reference to each other. I know the hon. member would want to agree with me on that.

Mr. Pickard: Mr. Speaker, I am sorry. I was following the Minister of Finance's lead to our critic.

Mr. Speaker: Perhaps the hon. member can set a great example for everybody.

Mr. Pickard: Mr. Speaker, the minister should be aware that $2 billion will leave Canada to the U.S. in business. In Windsor and Essex county, $1.5 million per week goes into U.S. business. This is no small leak, it is a major flood and a loss of tremendous dollars to merchants at the border. Now that the minister knows the impact and how the GST will devastate border towns, will he remove the GST?

• (1450)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member just does not seem to be making any sense. If he had done his research he would know that the rates will be reduced on Canadian manufactured products from 13.5 per cent to 7 per cent. He should know that it is going to make the product cheaper to the consumer. The savings will then be passed on to the consumer.

He would also know that the GST will create $9 billion of new economic activity and make Canadian businesses and manufacturers more competitive. He would also know that there are many other reas[illegible] ucts in the United States at this point in time are [illegible] of which is because of our high dollar.

Because of the fiscal and monetary policies of this government, we will see the dollar slowly start to reduce its level as interest rates go down, which is the prediction for next year. The GST itself will make Canadian competitors more competitive in order for us to be able—

Some hon. members: Order.

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AIRPORTS

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Transport. Transport Canada has recently announced its intention to increase landing fees at airports across Canada on a standardized rate for weight basis. This apparently is only one of a series of cost recovery programs to be implemented on April 1, 1991.

The impact of these increases will be disproportionately severe on the smaller airports throughout the country and bear particularly adverse prospects for Atlantic Canada where air travel is now our most important travel link.

For example, a British Aerospace 146 jet landing at Halifax will have a fee of $319.20 versus a charge in Vancouver of only $98.70 and in Toronto of $100.

Given estimates by the regional airlines in the Atlantic region that these charges plus escalating fuel costs will increase ticket prices by as much as 25 per cent, will the minister reconsider and delay and defer the introduction of the proposed new cost recovery program at least until the royal commission on passenger transportation has completed its work?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I appreciate my hon. friend's question. We are, as he indicated, engaged in a consultation process in both the marine and the aviation modes. The original date for [illegible] uest for consultation from [illegible] ber 1. Last week I an- [illegible] fs to be received by me [illegible] 1, 1991. I will certainly take the representations of the aviation industry into account.

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THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, the giant political crocodile, known as Rafferty–Alameda, permanently scarred the reputations of two ministers of the environment and today apparently willingly claimed the third.

Would the Minister of Justice kindly explain to the House why the federal government today sought and obtained an adjournment upon its own application for an injunction to halt construction, when its own evidence just one week ago today was that the present construction all of the past week and the construction going on today will cause irrevocable damage to the environment?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am advised that the adjournment was sought because our counsel received the day before the hearing an enormous volume of documentation from the province of Saskatchewan which required review before we could make a presentation in court.

Mr. Jim Fulton (Skeena): Mr. Speaker, surprise, surprise! When a small group of dam promoters fling muck in the form of affidavits and allegations, construction of the project continues and could in fact be completed before the court rules for a third time to halt the dam. Does the minister really expect Canadians to believe that the political stench rising now results from anything other than a backroom deal and the likelihood that all of James Bay II will proceed without ever having an assessment, meaning that this government simply puts megaprojects first and environment last? Let us call a spade a spade.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, aside from the obvious offensiveness of the question, the hon. member may be comfortable making public statements without reference to the facts or without reviewing important documentations. I do not think that practitioners in front of the bar find that very advisable and no lawyer representing the Government of Canada would do that.

Oral Questions

CANADIAN WHEAT BOARD

Mr. Doug Fee (Red Deer): Mr. Speaker, my question is for the Minister of State responsible for grains and oilseeds.

After a very difficult spring, farmers on the prairies took off bumper crops this year. They are now expressing a very serious concern with sales. There are conflicting reports coming out. Some reports say the board is selling grain, other reports say the board is not selling grain. Farmers are legitimately concerned and we are all getting a number of questions.

I would like to ask the minister what are the facts about grain sales? What are he and his officials doing? Is he going to be able to sell the product?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member raises an issue of concern. I can tell him without commenting specifically on sales that the Wheat Board regularly sells to 60 countries around the world. It has been doing a good job and as a result of its ongoing sales efforts it looks like we are going to have very good grain movement right into the new year.

The hon. member should know that the board has taken up all of its options as far as Great Lakes shipping capacity to the end of the shipping season. It has asked the railways to give it all of their rolling stock right into February. With that, and with the cash advances in place, it looks like we are going to have very good grain movement well into the new year. That should put us in good position to exceed the exports we had last year.

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ITALIAN CANADIANS

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Prime Minister I address my question to the Secretary of State.

On May 23 I asked the Prime Minister what the government planned to do in terms of the request by the National Congress of Italian Canadians on Italian Canadian redress. He responded by saying: "The Government of Canada is seized of the matter and we will deal with it urgently and efficiently".

Is the government now in a position to make good on this commitment and if so, will the minister share with this House the elements of the process and package as his government did with the Japanese Canadian redress issue.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the government has listened very carefully and is examining the proposals that have been submitted. We will provide further information at the appropriate time.

[*Translation*]

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the same minister.

This coming weekend the Prime Minister is expected to address the Congress of Italian Canadians in Toronto. Considering that this event has stirred very legitimate hopes within the community and that the Prime Minister's Office will not release the text of the speech, why did the government choose to treat this very delicate question as a state secret instead of openly discussing its projects with Canadians and hon. members so as to find a solution that is acceptable to all parties involved and to all Canadians?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the answer is the same, in both official languages. We heard the representations of the communities involved and we considered their propositions. As I said in English, we will provide more details at the appropriate time.

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CANADA LABOUR CODE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is directed to the Minister of Labour and Minister of State for Transport.

Next Monday the House will vote on the non-use of scabs in labour disputes involving Crown corporations. It stands to reason that after second reading there will be unnimous consent to amend the legislation with a view to banning the use of scabs when the people involved are federal employees or workers governed by a federal charter.

With that in mind and heedful of statements made by the hon. members for Laval-Est, Sherbrooke, Abitibi and Jonquière in support of this bill, would the minister

support the bill and urge his colleagues to vote in favour of the bill on Monday?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Mr. Speaker, the answer is no.

* * *

• (1500)

[*English*]

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is directed to the Minister of Agriculture. This weekend in Geneva, trade ministers from 29 countries, including Canada, will be meeting in an effort to break the GATT deadlock primarily involving agriculture subsidies.

Given our own trade minister's embarrassment over the fact that his government actually provides assistance to farmers, and given the refusal of the Minister of Agriculture refusal to defend Canada's true level of support, can the minister guarantee that the trade minister will not give up and will not further reduce support to Canadian agriculture and add even more to Canada's give-up list?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as the House has noticed, Canada already has a very widely admired offer on the table at Geneva with respect to agricultural matters which, if accepted by the other people engaged in negotiations, will do a great deal for Canadian agriculture.

The hon. gentleman should be trying to put some pressure—and God knows he can't exert very much—on the European Community which has thrown a roadblock at the whole process of reform of agricultural trade in the world. Why does he not direct a question to the east—

Mr. Speaker: A very short single question.

* * *

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, the government's new unemployment legislation is not only untimely given the recession, but its implementation is a nightmare in certain cases.

Since the government has collected higher premiums as of January 1, 1990 and given the lack of affordable day care facilities for Canadian families, particularly during hard times such as these, will the minister give Canadian families what they paid for since January, 1990 and make the parental benefits retroactive to that date?

Hon. Barbara McDougall (Minister of Employment and Immigration): No, Mr. Speaker.

Some hon. members: Oh, oh!

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw the members' attention the presence in the gallery of the Hon. Titus Allooloo, Minister Responsible for Culture, Communication and Renewable Resources of Canada's Northwest Territories.

Some hon. members: Hear, hear.

Mr. Speaker: I wish also to bring to the attention of members the presence in the gallery of Dr. France Bucar, President of the Parliament of the Republic of Slovania.

Some hon. members: Hear, hear.

Mr. Speaker: I know hon. members would want me to also recognize the presence in the gallery of a very distinguished parliamentarian and old friend of all of us, the Hon. George Hees.

Some hon. members: Hear, hear!

Mr. Speaker: The hon. member for Ottawa—Vanier. I warn my hon. friend that is a hard act to follow.

Mr. Gauthier: I appreciate that, Mr. Speaker.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, as usual on Thursdays we ask the government to tell us the legislative menu the government has in mind for the next few days. Would it be possible to know what the House can expect tomorrow, Monday and Tuesday?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I should be asking the hon. House Leader what will happen tomorrow, because he knows it is our intent that it be an allotted day and we wait with interest for his motion.

On Monday, we will proceed with second reading on Bill C-81, dealing with UN conventions on contracts; second reading on Bill C-82, having to do with port wardens in the province of Quebec; and, hopefully, second reading on Bill C-73, Crown corporations dissolution. On Tuesday, we will continue with what might be left over from Monday, plus hopefully complete second reading of Bill C-83, the Trust and Loan Companies Act, and on Wednesday—at this time it is more probable than assured—probably second reading on Bill C-85, dealing with airport development.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): I rise on a point of order, Mr. Speaker, and it is related to the same question of the week's business.

Some weeks ago the government introduced Bill C-86, which would permit more Canadian families to receive prepayment of the child tax credit. At that time the Department of Finance indicated that it wished to bring the bill in so we could send out those cheques in November.

Can the Government House Leader indicate whether or not he anticipates calling Bill C-86 for debate before the recess on November 9, or whether he anticipates it coming in before Christmas so these cheques can be sent out prior to the Christmas recess?

Mr. Andre: Mr. Speaker, I am delighted to hear of the hon. member's concern for this legislation. I welcome the opportunity to sit down with him and colleagues in the Liberal Party to discuss how we might proceed with that legislation through all three stages.

As the hon. member knows, there is never reluctance on this side of the House to proceed as rapidly as possible with all legislation on the *Order Paper*.

It is my intention, Mr. Speaker, to call a motion standing in my name this afternoon, respecting an initiative on the future of Confederation. The Prime Minister will be the lead-off speaker on this motion.

GOVERNMENT ORDERS

[*English*]

CONFEDERATION

CITIZENS' FORUM ON CANADA'S FUTURE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved:

That this House calls upon the government to bring forward an initiative to address the future of Confederation.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to advise the House and Canadians of the creation of a Citizens' Forum on Canada's Future. With the permission of the House I will be pleased to table the terms of reference of the forum and its membership at the conclusion of my remarks.

This will be an independent body of eminent Canadians who will launch a dialogue with people across the country and help create a new consensus about Canada and, hopefully, about our future. The situation is urgent and I think that all members, irrespective of political party, recognize that the problem is serious.

Canada is running the risk of fracturing along the linguistic and regional fault lines that have run deep throughout our history. A major fault line along the Ottawa River was created in a space of 25 years, two centuries ago, with the fall of New France and the arrival of waves of United Empire Loyalists in Upper Canada.

• (1510)

Since then, that fault line has been the most active and in many ways, the most dangerous. We all remember the statement, "the two nations warring in the bosom of the single state" that Lord Durham reported he had found. There was the hanging of Louis Riel; the conscription crisis and riots; the October crisis in 1970; the election of a government in the province of Quebec in 1976 committed to the dismemberment of the nation; the referendum of 1980; the patriation of the Constitution in 1982; and the failure to ratify the Meech Accord after it had been approved unanimously by all governments and all parties in the House of Commons.

There has been activity over the decades across other fault lines as well, notably between central Canada, and east and west, as a result of the National Policy, the ownership of lands and natural resources, transportation policy, the energy program, and decade after decade of substantial and ongoing injustice that was sustained by native peoples in Canada.

[*Translation*]

And new tremors emanated this summer from Oka and from the foothills of the Rockies. Over time, all of these stresses have loosened the ties that bind Confederation together. There is little time left before the next potential shock—the tabling in the Spring of Quebec's Bélanger–Campeau Commission report. Meanwhile we have lost much of the consensus we had on what kind of country Canada is—on what we all should be able to expect from our country and what we all should be prepared to do for our country. Attitudes shape decisions and decisions have consequences.

The patriation of the Constitution in 1982 without Quebec's endorsement has had serious consequences for the attachment of Quebecers to Canada. The collapse of the Mecch Lake Accord, after it had been unanimously agreed to by all governments in Canada, has further weakened that attachement.

[*English*]

The failure of four First Ministers' Constitutional Conferences to resolve the issue of aboriginal self–government has provoked serious dissatisfaction very apparent across the country this last summer.

Economic policies that for decades protected central Canada at the expense of western Canada have had an important impact on the attitudes of western Canadians toward national institutions.

Atlantic Canadians have felt that their interests have too often trailed those of other parts of the country and frequently, in this particular perception as in many others, Atlantic Canadians were right.

A steady diet of often needlessly unproductive wrangling in the House of Commons and the regrettable spectacle that Canadians witnessed in the Senate last month are having dangerous effects on the credibility of our entire political process, as well as on the credibility of all people who participate in that process of any political party and from any region of the country.

Economic policies in recent decades, which gave Canadians much more than they paid for in taxes, are now having grave consequences. The bills are now coming in: a huge national debt, dependence on foreign borrowing, increased taxes, and cuts in government services as Canada struggles to pay the compound interest on large public borrowings when the federal government needs its economic strength.

Ottawa is striving to restore discipline to the fiscal situation of the nation. I think, irrespective of the government that might be here, that obligation would remain the same. More important, and the reason for its political implication, is that this financial status seriously inhibits the capacity of any federal government to use economic levers that might strengthen the federation, redress disparities or lessen the sense of grievance that individuals and communities and regions across Canada often and legitimately feel.

The challenge before all Canadians is simple. I exclude no one, certainly not myself, to have the clear headedness to learn these important lessons and the wisdom not to make the same mistakes again.

[*Translation*]

It is time we all did some real soul–searching. The future of Canada depends upon the answers to some very simple but very important questions. Do we all still want to live together? What kind of country do we want? Do Canadians still have common values and hopes and interests? Can Quebec, as the only predominantly French–speaking province in Canada, find cultural security and respect for its identity within our federal system?

[*English*]

Can the sense of western alienation be allayed by realistic and fundamental attitudinal changes elsewhere in the nation? In a country where all citizens are equal, how can the needs of the less populous regions and language minorities, and aboriginal peoples, be appropriately and perhaps permanently accommodated?

Does the present distribution of powers among federal and provincial and local governments still make sense in spite of the fact that many of them have been unchanged for 125 years, while the country and the world has undergone revolution after revolution? We have remained with many of the same powers that were imputed to one level of government or another.

What reforms should we all make so that parliamentary institutions, including the Senate, work better and reflect the interests of all Canadians, rural and urban, west and east, and north?

In a country that prides itself on its human rights record, should legislatures have the power to override the Charter of Rights and overrule the fundamental rights of Canadians? Has our pride and our multiculturalism focused too much attention on our differences and begun to be a problem for a common Canadian identity?

Can Canada's aboriginal peoples preserve their heritage and at the same time share fully in the opportunities and responsibilities of contemporary life? In Canada's modern economy, what is best done by governments, and what by individual Canadians themselves?

[*Translation*]

In a country that depends on trade for over 30 per cent of its income, one of the highest such percentages in the world, why are so many industries so lax in upgrading their productivity to meet the competition?

Why have barriers to trade between Canadian provinces stood for generation after generation while the free trade agreement with the United States of America was concluded in 27 months?

These are critical questions that affect the lives and prospects of all Canadians. We have to answer them frankly if we are going to establish a consensus of common interest and common purpose in this country. There is no doubt in my mind that a renewed consensus can be built.

Putting our current problems into historical perspective helps. As disquieting as the current period is for our country. Canada has overcome difficult challenges in the past. The Constitutional Act of 1791 led to a long period of political unrest, including the rebellions of 1837. The forced union of Upper and Lower Canada in 1840 led to conflict and the arson of the Parliament building in 1849.

• (1520)

[*English*]

The British North America Act itself was preceded by a bitter and almost decade-long debate. Confederation, when it finally did come, was at the same time an act of separation of Upper and Lower Canada and an act of unification. And the system of government agreed upon, federalism, was itself a sharing of sovereignty.

We tend to forget that in the first Parliament in 1867 there were 18 separatist members, all of them from Nova Scotia. Twenty years later, according to Laurier: "The province of Manitoba is in open revolt. The province of Nova Scotia demands its separation from Confederation—from east to west and from north to south—prevailing feeling is one of unrest and uneasiness, of discontent and irritation".

Three years later in 1890, exactly a hundred years ago, Laurier had occasion to warn all Canadians: "We have come to a period in the history of this young country when premature disillusion now seems to be at hand".

The weakening of the imperial links with Britain at the turn of the century, the sending of Canadian servicemen into two world wars and into Korea, the flag debate in 1965, the Quebec referendum in 1980, the patriation of the Constitution in 1982 without Quebec's endorsement, all stimulated profound division and bitter debate in the country.

In fact no issue has been more divisive or debated, more bitter, than creating a made-in-Canada formula to amend Canada's Constitution. The process started in 1926 with the Balfour report and the relationship of the British Dominions to the Crown and to the United Kingdom. The required unanimous consent of the federal and provincial governments eluded successive patriation attempts and our Constitution remained an act of the British Parliament and could be amended only in the United Kingdom.

Important amendments to the Canadian Constitution were in fact secured through this route, including the transfer of jurisdiction over unemployment insurance to the federal government in 1940.

[*Translation*]

But in 1981, in the wake of the 1980 referendum in Quebec, the momentous decision was taken to bring our Constitution home without unanimous consent, specifically without the consent of Quebec.

An important element in the victory of the federalist side in Quebec was a commitment by the then Prime Minister to renew federalism—that a «no vote» was not a vote for the status quo.

Few, if any, who fought for Canada in that difficult referendum a decade ago ever thought that the reform would eventually be carried out in such a way as to attract the support of all the provinces—except Quebec.

Perphaps things might have turned out differently if the Canadian Government had waited to ascertain if the leader of the federalist side, Mr. Claude Ryan, would win the next provincial election. The next election was but a few months away. So why not wait and see whether the leader of the Liberal Party could succeed?

But the decision was made to proceed without the approval of Quebec's national assembly. And the Parti Québécois, a political party committed to the dismemberment of Canada, was re-elected to office with 49 percent of the popular vote. That was almost 10 years ago.

Obviously, Canada's problems in this area of our national life did not begin last summer. As it turned out, the opportunity to negotiate with a federalist Premier in Quebec, did not come again until 1986, when all 10 Premiers agreed to bring Quebec back into the Constitutional family. The Meech Lake Accord—a modest set of five constitutional changes—was the result.

The failure of two provincial legislatures to pass the Meech Lake Accord in June ended a chapter in Canada's continuing search for constitutional reform. It did not mean, however, that we should close the books on Canada. It did mean that we had entered a new and more dangerous period in our national life.

[*English*]

Danger and opportunity are often two sides of the same coin. The danger we face gives us the opportunity to rethink our system and to chart a brand new future for our country.

The starting point is recognition of the value of what we have achieved together as a country. Partly because we came together and stayed together as an act of will rather than in the fires and the destruction of war and partly because we co-exist in North America with the world's most powerful nation, we Canadians tend to undervalue our own achievements and our own accomplishments.

As we think about our future we would perhaps be wise, as Robbie Burns put it, to see ourselves as others see us. We need to reflect on the extraordinary benefits that Canadian citizenship brings to us all. Wherever we come from, whatever language we speak, in whatever region we live, Canada is not perfect but it is one of the most magnificent nations on the face of this earth.

We need to recognize that during a century when the extremes of nationalism and racism have taken 100 million lives and caused incalculable suffering to humanity, we here in Canada, with our faults and our imperfections, managed to build one of the most civil, cosmopolitan and one of the most admired nations on earth.

We need to remind ourselves that our system of justice which guarantees equality before the law for every Canadian is widely respected around the world. We need to stop and think that with a population of only 26 million, that ranks somewhere in the neighbourhood of 31st or 32nd in the world, we have overcome both a forbidding climate and rugged geography to build the eighth largest economy in the entire world. While many countries struggle just to put bread on their tables for their citizens, we continue to enjoy, despite our economic problems, a broad range of social services and one of the best standards of living anywhere in the world.

• (1530)

While industrialization came at a substantial cost to Canada's natural environment, Canadians are adopting a new ethic of sustainable development and enjoying cleaner air and clearer water and better health and a better quality of life than most people on earth dare dream of.

We need to appreciate that while Canada achieved recognition as a middle power following the Second World War, Canada now enjoys substantial international influence and respect and more capacity than ever before to advance and protect the interests of all Canadians, French speaking and English speaking Canadians.

[*Translation*]

Canada is the only country that is a member of G–7 leading industrial countries, of the Commonwealth and of la Francophonie; Canada is completing a term as a member of the U.N. Security Council.

[*English*]

Membership in the Group of Seven leading industrial countries gives Canada a role at the table where the major international, political and economic issues are dealt with.

Millions of people all over the world are literally lining up to come to Canada because successive generations of Canadians have succeeded in building a tolerant, democratic, peaceful and very, very prosperous country. That is what we have now, and that is what we risk losing.

I know that many Canadians are preoccupied, and properly so, with the state of the economy, but I also know that national unity and economic prosperity go hand in hand. Uncertainty about Canada's future would deter investment and make our economic problems even harder to solve. We need a renewed consensus to take us into the 21st century.

I am pleased therefore to announce today that the government is launching a major initiative to promote a discussion among Canadians on the future of Confederation.

This process will be led by Mr. Keith Spicer, who resigned today as Chairman of the CRTC, for the period required to undertake this crucial new assignment. I know that all members wish him well.

Some hon. members: Hear, hear.

Mr. Mulroney: He will be assisted by an executive advisory group consisting of: Richard Cashin, President of the Fishermen's Food and Allied Workers' Union in Newfoundland; Carol Corcoran, a barrister and solicitor and acting band manager of the Fort Nelson Indian Band and a former chief of the band; Fil Fraser, Chief Commissioner of the Alberta Human Rights Foundation; Thomas Kierans, President of the C. D. Howe Institute;

[*Translation*]

Robert Normand, a former Deputy Minister of Finance in the Quebec government, chairman and editor of *Le Soleil*.

[*English*]

Helena Zukowski, screenwriter and author;

[*Translation*]

Thérèse Paquet–Sévigny, Under–Secretary General of the United Nations; Roger Tassé, a former Deputy Minister of Justice, and Executive Vice–President of Bell Canada;

[*English*]

Susan Van de Velde, farmer and community activist; Elsie Wayne, mayor of Saint John, New Brunswick; and Jack Webster, broadcaster, journalist and author.

Some hon. members: Hear, hear.

Mr. Mulroney: If any member of this House of Commons from any party appears before that commission and can get a word in edgewise, let me know.

I think, however, it is fair to say they are a remarkable group of men and women from across Canada. I know they are going to undertake this crucial enterprise and bring it home with success. I know that all members of the House of Commons wish them well.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Mulroney: Quebec, Alberta and New Brunswick have established commissions to consider their own futures and some other provinces are planning to do so, as well. Our initiative will complement not compete with these undertakings—but the Government of Canada represents all Canadians and the Forum will be seeking to develop a national consensus.

This is not a traditional Royal Commission. The goal is for Canadians to talk not just to an appointed panel but to each other about the country's future.

Consensus is created by people; we have all learned that it cannot be imposed by governments. This is an initiative for the people and of the people. Our objective is to get Canadians talking to each other about the values and characteristics and fundamental interests of this country.

[*English*]

Canadian unity and Canada's economic prosperity in a highly competitive world are linked. The forum will invite Canadians to talk about that too. Canadians will be invited to discuss the relationship between Quebec and the rest of the country, and the accommodations required in today's Canada for the needs of both linguistic majorities and minorities to be respected. Canadians will be encouraged to re-examine the impact of regionalism and of multiculturalism on Canadian unity and on economic development.

The forum will facilitate contacts between aboriginal and non-aboriginal Canadians to discuss how the aspirations of Canada's first peoples can be met within the Canadian Constitution.

Canadians will be invited to consider what in contemporary society is best done by governments and what by individual Canadians themselves. Canadians will be invited to discuss as well the questions that underlie all of these issues: how to ensure that the country's institutions, particularly Parliament, designed in the 19th century, will work effectively and well in the 21st century and, at the same time, whether the division of responsibilities among the federal and provincial governments needs to be changed. If so, how and when?

We hope that this process will help bring Canadians together and help us come to a common understanding on what we can expect from our country and what we owe to our country.

This is not going to be a formal process designed for high priced consultants and high pressure interest groups. It will be informal and easily accessible to as many Canadians as possible from all walks of life. Every Canadian who wants to will be able to have a say.

[*Translation*]

The Forum will reach out to the people, not wait for people to come to it. It will travel to every province in the country and the territories. It will bring groups of Canadians together to meet and talk with each other—to unterstand each other's concerns and hopes and priorities.

It will, also convene regional meetings, hold public debates and solicit views of Canadians in writing. It will use modern Canadian communications technology, today's electronic railroads, to bring people together. With the extraordinary communication technology now available in Canada, it is possible to listen to and involve almost all Canadians in this great national debate. This is what this government and this Parliament want.

Some hon. members: Hear, hear!

Mr. Mulroney: Mr. Spicer will report to the government on the Forum's findings by next June 30.

[*English*]

The government will not control the forum or seek in any way to dictate its findings, but I intend to state my own views from time to time, as I know other party leaders and indeed all members of the House of Commons will either do before the commission or seek to do across the country.

I stand for a strong, united Canada that is fair, tolerant and free. I stand for Canada that is great enough and confident enough to assure Quebec its place as a full, respected and valued partner, confirmed eventually by Quebec's willing endorsement of all of Canada's constitutional instruments so that all Quebecers feel a full and irretrievable commitment to this nation called Canada.

Some hon. members: Hear, hear.

• (1540)

Mr. Mulroney: I stand for a Canada that is flexible enough to reorganize itself to adapt to the times and whose national institutions, including both Houses of Parliament but especially the Senate, can be reformed to serve the interests of all Canadians more fairly and more effectively.

I stand for a Canada that speaks abroad with one voice, that can protect the nation's sovereignty and security and that can play a constructive role in the world. I stand for a fiscally sound and economically competitive Canada whose development respects our natural environment.

I stand for a compassionate Canada that gives all of its people the opportunities they need to develop and prosper and gives the needy the support they require to live and grow old with dignity. I stand for a new deal for Canada's first peoples, one that will at last translate promises into reality.

Some hon. members: Hear, hear!

Mr. Mulroney: I stand for a new approach to education that respects traditional rights but that sets standards that allow our children to keep up with their counterparts abroad who continue to move swiftly ahead of many of our Canadian children in schools.

[*Translation*]

I stand for a Canada whose basic characteristics and values are reflected in a modern Constitution, supported by all Canadians. It is the Canadian people, the concrete and steel of our national existence, who can hold this country together.

We are living through a historic moment of extraordinary and beneficial change in the world. In Eastern Europe, the dead weight of communist ideology is being rejected by people eager for the freedoms and responsibilities of democracy and free markets. In Western Europe, progress towards political and economic integration is accelerating.

In 1992, 340 million Europeans will complete their reorganization into a single market. In 1994, the Europeans are planning to set up one European central bank. By 1999, the Europeans plan to create a common currency.

In Canada, we have had a common market since 1867. We have had a common currency since 1870. We have had one central bank since 1934. We already have much of what the Europeans are now trying to build.

In Europe, the movement is inexorably towards political an economic integration and unambiguously away from the sovereignty of individual nations. Indeed, as EC president Jacques Delors has predicted: «Eighty percent of all economic and social legislation» in Europe will eventually originate in Brussels, and not in national capitals such as Paris, London or Rome.

Surely, the direction could not be clearer. In voluntarily relinquishing sovereignty, in many vital areas, European Governments are reversing the trend of centuries.

They are making these historic reforms because they believe in them. Surely, French President François Mitterand is one of the main architects and leader of all those changes in Europe. Why did he make this choice? Because he believes that, in the competitive world which is emerging, greater unity and more integration will raise the standards of living of their people and provide them with greater economic opportunity and greater social justice.

[*English*]

The most powerful economy in the world, the United States, is a federation and the richest market in the world, the European Community, is on a rapid and determined course toward economic and political integration.

There would appear, Mr. Speaker, to be little discernible advantage for Canadians who already enjoy the benefits of federalism to turn their backs on that system at the very moment that it has become most attractive to growing numbers of nations. Helmut Kohl, Margaret Thatcher, and François Mitterrand, and the leaders of 340 million Europeans and others who seek to join are moving more and more towards an integrated economy, more and more towards the equivalent of a political federation. We have that fundamental here and yet some are asking us to chuck it out and replace it with something that has yet to be defined. I say we have something good. Let us build on it. Let us improve it, and let us make it better for all Canadians.

Some hon. members: Hear, hear.

Mr. Mulroney: Canada's system of government has been beneficial to every province and to all Canadians. But our system is far from perfect. It has given rise to demands for fairer representation and calls for more responsive administration. One hears the call for help from western Canada, and from the east. One hears it in Ontario, in the north, and elsewhere.

Canada has also heard statements of hope and expressions of despair from many Quebecers. All are genuine. This problem must be dealt with. It is not going to go away. It is time to consider making reforms to our system of government, bold and far–reaching and unprecedented, if need be.

But to build a new and better Canada does not mean, however, asking our fellow citizens, French speaking or English speaking, to abandon the gains of a century to fight the tides of history and to put their hopes in an uncertain and narrowing future. I believe that we have within our grasp the possibility of rebuilding one of the

most magnificent nations on the face of this earth, which provides for the beauties of its citizenship equally to French and English speaking Canadians, to new Canadians and old. That was the promise of Confederation, and we can deliver now on the promise of that Confederation to all citizens in Canada today.

Some hon. members: Hear, hear.

Mr. Mulroney: As Prime Minister, I am totally devoted to the unity of Canada, and as a Canadian I believe deeply in the fundamental decency and extraordinary potential of this country.

The initiatives that we took at Meech Lake, which were not easy—

[*Translation*]

I heard some of the Liberal members laugh when we were talking about Canadian unity. But all the members of this House have supported it, including the hon. member for Hamilton East who showed leadership by having the courage to rise in support of a proposal which, although flawed, was designed to promote unity among the Canadian people. We failed with the Meech Lake Accord but it does not mean that we compromised the country's future. And I think that, with the level of co-operation in this House and with the Canadian people's deep commitment to fundamental values, we can revive the soul of this great nation and rebuild Canada for tomorrow.

[*English*]

I believe, Mr. Speaker, that the partnership of Macdonald and Cartier, of English speaking and French speaking Canadians was real. I believe that respect for that partnership and respect for the French and English languages that have become official languages of this country constitute an indispensable cornerstone of our political and cultural sovereignty.

• (1550)

The French language and culture—and I am saying it in English to make sure it is clearly understood—has enriched the identity of Canada, as surely as the English language has and every member of this House should stand for that fundamental principle.

So, Mr. Speaker, I put my faith in the resilience and common sense and optimism of the Canadian people. These are the strengths that will anchor the coming discussions and make flexibility and accommodation possible.

Canada is simply, Mr. Speaker, an act of will. It lives in the minds and hearts of all Canadians, and Canada will endure only if Canadians want it to. I sense, even in the moments of difficulty, a will for unity across the country and I am sure that we are capable of finding a way.

I believe that it takes major changes. I believe, Mr. Speaker, that if it takes major changes to hold this country together, Canadians want those changes made. I believe that if it takes a new process to achieve those changes, Canadians want a new process designed. With the initiative the government is announcing today, I am signalling our determination to listen to Canadians, to listen carefully to Canadians, wherever they live across Canada and to work with them in building the Canada of the 21st century.

The wounds of past grievances are deep, but if we co-operate we can heal them. The gulfs created by our current disagreements are wide, but together we can bridge them, and the tests imposed by emerging global challenges will be difficult, but together we can pass them. Our parents and grandparents confronted and resolved the issues of their day and turned over to us one of the best countries in the world.

[*Translation*]

The Canada that emerges from the current process of change and renewal will be far different than the one we inherited.

Mr. Lapierre: It is too late.

Mr. Mulroney: The hon. member for Shefford says that it is too late. It is not. I will simply tell him that if we work together, we will give our children a country that is extraordinary and viable and that they will be proud to call their fatherland, Canada.

Some hon. members: Hear, hear.

[*English*]

Mr. Mulroney: Mr. Speaker, I appeal to members on both sides of the House and to Canadians from St. John's to Trois-Rivières to Orillia to Victoria. It is time to repay Canada for all that has been given to us, handed to us, handed over to us without the slightest effort on our part, with the possible exception of being born in this country or having the good sense to come to it. It is time to do justice to the dreams of our founders and to the

courage of the men and women from countries around the world who came to Canada to build this country.

Mr. Speaker, my plea is simple. Let us work together, English and French speaking Canadians, new Canadians and native born, to give our children one united Canada where justice prevails and freedom always rings out.

Some hon. members: Hear, hear.

Mr. Mulroney: I wish to table, in both official languages, the terms of reference of the *Citizens' Forum on Canada's Future*, and its membership.

Some hon. members: Hear, hear.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, in this autumn of discontent, it is not only the constitutional future of Canada that is in question, it is the very future of our country itself. The policies of this Conservative Prime Minister and his government have shaken the foundations of this country. These policies have called into question Canada's ability to face the enormous challenges that are now on our doorstep.

[*Translation*]

All Canadian regions are telling us clearly they are dissatisfied. Many Canadians are questioning not only government policies but the political institutions themselves.

[*English*]

The loss of confidence of many Canadians in our political institutions runs deep. It goes well beyond the division of powers between the two levels of government. People are losing confidence in the ability of these institutions to deal with the historic changes taking place in Canada, and around the world.

At a time when the world is coming together, the risks are growing that Canada will drift apart. At one time, Canadians had a sense of common purpose and common enterprise. Those shared beliefs helped us to build a country that has been a global economic and political leader.

We should remember how we forged this country out of an unforgiving climate and against very strong north–south currents. The time has come to reflect on where we have been and where we are going as a nation.

[*Translation*]

Since the beginning our society has been characterized by the coexistence of two language groups unlike anything else. The association of English–and French–speaking Canadians is a foundation of our country's evolution. This association has led us to find specifically Canadian solutions to our problems, to create our own institutions and to continue building our country in our own way.

[*English*]

On this foundation, including that provided by our aboriginal peoples, we have built a multicultural and a pluralist society. People from all corners of the world have come, as did my own parents, to help build a better society, a better country, better lives for themselves and their children. Tolerance and accommodation of differing views and beliefs have been important to all Canadians. These very principles are enshrined in our Charter of Rights and Freedoms. Canadians have always had a special respect for diversity. It is an asset and a source of strength and enrichment.

I believe that the Canadian challenge has been to reach for an ideal, while recognizing that we might never attain it. We have never measured the success of the Canadian experience by asking if it has ever been completed. Until recently, our progress as a nation has been in many ways the envy of the world. We persevered. We reached for new heights. We built a strong and a thriving nation.

• (1600)

Consider our social infrastructure. Although it is under stress, and in my view under attack from this Conservative government, it is a system to which all Canadians must have access. It is a system to which many millions of Americans wish they had access. Our social safety net has been the product of an approach championed over the years by Liberals. It has been a system based on Canada's prosperity and Canada's generosity.

[*Translation*]

Quebec has also made remarkable progress in every area since Confederation and especially since the '60s. Its economic and cultural accomplishments in the last 30 years have been outstanding. From its performers to the economic progress made possible by its own people and the success enjoyed by its university graduates, Quebec has changed for the better.

I remind you that Quebec has grown within the Canadian context. Is it logical, Mr. Speaker, for Quebecers to suddenly renounce this country because the current Prime Minister has failed in his Constitutional reform project?

[*English*]

Ours is a large and diverse country. It is understandable that, from time to time, some Canadians may question the values that unite us. That is why throughout our history it has been the duty of prime ministers to remind us of our shared values, to inspire us, and to motivate us to work together.

There is nothing wrong with Canadians and their values. What has been missing has been the right kind of national leadership right now, the right kind of national leadership based on building and finding consensus. Regrettably, this Prime Minister has too often failed to appreciate, to communicate, and to build on our shared national values. As a result, there is now division and disarray in all parts of our great country.

This Prime Minister has abandoned his duty to provide leadership built on consensus. When the all-party special committee, the Charest committee, tried to find a way out of last spring's constitutional impasse, the Prime Minister hesitated and then simply rejected its findings out of hand. He did not have a solution that reflected the concerns of Canadians. This Prime Minister was not interested in what Canadians thought. This Prime Minister rolled the dice with Canada's future. He even bragged about it. His way was secret deals, brinkmanship, and more brinkmanship, but certainly not leadership.

In short, this Prime Minister has failed to show any leadership in one of our country's most desperate hours of need and in the past months we have all been paying the price of his failure.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): He and his government have been dismantling the institutions that have made Canada among the greatest nations on earth. Our social safety net, our national transportation system, our shared values of compassion, sharing, tolerance and equality of opportunity—all are slipping away under this government.

This is a dramatic departure from the great prime ministers of our past. Those prime ministers all understood that Canada is more than the sum of its parts. It is more than a community of communities. A strong national government has always been necessary to meet the great challenges of the day and to work for the benefit of all the regions of the country. A strong national government is essential to meet the challenges now before us as a nation.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): Today, the Prime Minister has finally admitted that his past approach to constitutional reform was fundamentally flawed. By this motion, the Prime Minister has finally admitted that rolling the dice just does not work when the future of our country is at stake.

The Liberal Party of Canada is encouraged to see that the government is committing itself to listening to Canadians for once. The commission he announced that will travel the country to seek out Canadians' views on the state of the nation must, however, be more than simply a public relations exercise. Canadians who appear before the commission must be given ample opportunity to give full expression to their views. There should be no more insiders or outsiders. When the very fabric of the nation is on the line, the views of every Canadian do matter. Every Canadian has a right to be heard and, this time, all Canadians have to be insiders.

Meaningful constitutional reform is not accomplished behind closed doors with only a few select participants. If it is to be successful, reform must be built upon the shared values of all Canadians.

We do have some concerns about what we know, so far, about the government's proposal. One is a concern that the commission may hear only from well organized special interest associations or elite groups with special access. Who will speak for the ones who have no collective voice? Who will speak for the single parents, the poor, the sick, the workers whose jobs have moved to the United States or Mexico, and those Canadians in remote parts of this land?

Liberals are also concerned that once it has listened to Canadians, the commission should be able to work to present a comprehensive final report to Parliament. The commission should have enough time to do its deliberations properly and to prepare its report. That report

must truly reflect the views of all those Canadians who have appeared before the commission.

This must not simply be an opportunity for people to blow off some steam while the real work is done by the Prime Minister once again behind closed doors. We need a serious dialogue if we are to get out of the malaise now gripping the country, the malaise the government has been unable to contain, and in fact for which it has been a major contributor.

A constitution is both a political statement and a legal document. It is more than just a piece of paper. A constitution embodies and reflects the shared values of our society. It sets out the legal framework for the structure of our society. Unlike labour and business agreements which have limited terms and can easily be changed, constitutions are difficult to change once made, as they should be.

[*Translation*]

Mr. Speaker, those who deal with fundamental values and political institutions, and try to preserve our society's most sensitive balance, must act with careful consideration. These changes are meant to last a long time. We must write them properly before adopting them and not the other way around. If there are errors in the draft resolution, it would be irresponsible not to correct them before the changes become effective.

[*English*]

Canadians want more than a travelling constitutional road show. They want a chance to be heard even after that commission is finished. No more secret meetings, no more secret deals, and no more manipulation and intimidation. Canadians want this Prime Minister to listen to them. They want meaningful reform.

• (1610)

[*Translation*]

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): Mr. Speaker, this time, the Canadian people will be called upon to play an active and constructive role.

[*English*]

This time the concerns of all Canadians—our aboriginal peoples, women, people of every origin—and the concerns of all our regions must be reflected in any decisions taken by governments.

We must never forget that constitutional reform must, above all, have the goal of preserving our country and thereby improving the well-being of all Canadians. It must reaffirm the values shared by Canadians wherever they live in this great land. It must help us all to achieve the goal of social justice that makes up the very core of the Canadian identity.

[*Translation*]

Mr. Speaker, we are strongly committed to our principles as Liberal and as Canadians. We are proud to be Canadians and we will promote our concept of Canada across the country.

But, Mr. Speaker, Canada is not static. The Liberal Party of Canada has understood this for a long time, despite what our opponents say. The Liberal Party has never been and will never be in favor of the status quo.

Mr. Speaker, our institutions must change, adapt and improve.

[*English*]

In the words of Jean Chrétien, the Leader of the Liberal Party, the solutions we seek should respect at least three fundamental principles.

> First, they must be compatible with the very nature of Canada which finds its *raison d'être* in sharing, diversity, and respect for the rights of individuals.
>
> Second, they must result in the reform of our political institutions, including the Senate, to ensure that the distinct concerns of our four great regions, the Atlantic, Quebec, Ontario, and the west, are respected.
>
> Third, they must favour the renewal and modernization of our economy to create economic policies that will allow us to be competitive in the world of tomorrow.

In summary, and by way of conclusion, the process announced by the Prime Minister today is fraught with both opportunity and danger. The process of last spring ultimately failed because the people of Canada felt like mere observers, rather than full participants in that constitutional process. Surely the message of the events of last spring is that constitutions cannot be made behind closed doors in this country.

Consultation means more than the right of simply being heard either before or after the fact. Consultation must mean the right of the people of Canada to scrutinize and have input into specific constitutional proposals whenever they are presented by the government.

True consultation, true public participation, must be based on the notion that constitutional proposals by governments are not carved in stone. They can be altered. They can be changed as a direct consequence of public input.

We do welcome the process announced today by the Prime Minister. We see an important opportunity for public dialogue. We see an opportunity to foster understanding and consensus in the country. We also see some danger. This process is and can be only a first step. It must be followed by an open constitutional process. Once new and specific constitutional proposals are formulated by the federal government, that government must go back to the people of Canada again. It will not be acceptable for it to say to Canadians: "You have had your chance to be heard in the winter and spring of 1990 and now we, the federal government, are going back behind closed doors again."

Mr. Speaker, the days of "my way, or no way," are over.

Some hon. members: Right on.

Some hon. members: Hear, hear.

Mr. Gray (Windsor West): Mr. Speaker, it is no longer acceptable in this country to settle for a consensus of 11 men meeting in secret after the citizens' forum announced by the Prime Minister has reported.

True consensus, national consensus, will only be found in and through the hearts, minds and souls of Canadians. Let us recognize in this the autumn of our discontent that we must not fail again.

Some hon. members: Hear, hear.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to address some remarks today in response to the Prime Minister and to say that I think that finally an initiative has begun which will begin the dialogue in Canada.

[*Translation*]

Let me say first of all that I support all initiatives related to Canada's future. It is time to initiate a dialogue. With Meech Lake, Canadians lived through the most traumatic experiences ever seen in this country's recent history.

[*English*]

The Prime Minister said today that he wants to open up the constitutional process and implies that he is prepared to change the old style politics of behind closed doors decision-making.

[*Translation*]

I welcome these statements but, once again, I fear that the Prime Minister's rhetoric may not reflect his actions. He had four months to decide who to appoint to the Commission and to consult with various groups. He had four months to allow these groups to elect representatives who might have become members of the Commission.

[*English*]

There was an opportunity, Mr. Speaker. I think, if I may make reference to the commission itself, it has a good representation. My quarrel is not with the individuals who are on that commission, but the Prime Minister had an opportunity to fundamentally change the system in terms of opening up the process.

Let me give you a couple of examples, Mr. Speaker. Surely a commission like this should have been above partisan concerns, and I am not suggesting that the people who are appointed were necessarily partisan appointments. But the process could have changed if the Prime Minister had perhaps consulted—at least he did not consult me as leader of the New Democratic Party—about the kind of commission, about the terms of reference, that we as a party would like to see. That would have been a fundamental change in the old style of politics.

Some hon. members: Hear, hear.

Ms. McLaughlin: There is another way that the Prime Minister could have changed the old system fundamentally by saying to different groups in our society: "Could you elect, or could you nominate persons to represent your particular interest—business, labour, aboriginal people".

Also, I regret, Mr. Speaker, that once again there is no representative from the Yukon or the Northwest Territories, one-third of Canada's land mass. I would like to say that there is a particular point of view from the north that I feel should be represented in such a constitutional committee.

[*Translation*]

Mr. Speaker, long before I became leader of my party, I was talking about opening up the constitutional decision-making process. As a Northerner, I was always frustrated at the governments that refused to consult us, that acted as if Northerners did not exist.

[*English*]

Therefore, it is regrettable, Mr. Speaker, that there was no one from the Yukon or the Northwest Territories on this commission. I would ask the Prime Minister if he would reconsider that and consider someone from the north to be included in this commission. The Constitution building of this country clearly must become an inclusive process. A constitution cannot simply meet a legal test but must indeed meet the test of the people for whom that constitution and with whom that constitution is formed.

• (1620)

Last June I raised the idea in this House of a constituent assembly on the Constitution.

[*Translation*]

I was commenting that Canada needs such a renewal. Aboriginal people, women, labour, business and religious groups, as well as intellectuals must have their say on the Constitution we are creating.

[*English*]

I am pleased that at least this is a beginning on that idea which I presented last spring. There is more to the unity of Canada than a constitution. I want to remind Canadians that it is this Prime Minister who appointed eight GST senators to the Senate and who now says that he wants to see it change in those institutions, as does the New Democratic Party. That is why we have initiated a committee of the New Democratic Party on reform of parliamentary institutions.

[*Translation*]

Mr. Speaker, it is this Prime Minister who totally ignores the opinion of most people and refuses to withdraw the GST. He does not have a good reputation when it comes to listening and consulting.

[*English*]

I hope this will be a change, but I say again that the unity of the country is just not found only in a constitution. When people from outside the country look at our country, they often judge it on three characteristics: the rich culture and language of Quebec; aboriginal people, the First Nations of our country and; the north and the territories.

It is exactly on those three areas that we in Canada have failed to come together. That must be the challenge for this committee and for all Canadians. It is not sufficient just simply to have a committee of eminent persons—whom I am sure will work very hard and do a good job—but it is not just enough to have a committee that goes out to speak to Canadians. If we are truly to work for Canadian unity, we have to continue to find ways for Canadians to dialogue with each other.

One of the fundamental problems that we have in Canada is that in this diverse country due to the distances between communities, the people in Newfoundland often do not know the people of the Northwest Territories, the people in British Columbia, the people in Quebec and so on. We have to find ways in order to also bring about that kind of unity. There are many ways that one can do that. One can do that through communications systems.

It is ironic that at the same time that the Prime Minister is standing before us in this House and saying that he wants to work for the unity of Canada—and I believe him—at the same time there is a communications bill before this House that says that the CBC will no longer have a mandate to promote national unity. Let us have some consistency here, Mr. Speaker.

[*Translation*]

Some hon. members: Hear, hear.

Ms. McLaughlin: If the Prime Minister is serious about making his government open and honest, he should create a parliamentary committee on the Constitution and submit the commission's report to the committee for review.

[*English*]

In the spring I had proposed that we should establish a standing committee on the Constitution. Clearly, this would have been a way, since the repatriation of the Constitution, to have continued the dialogue and initiated dialogue throughout Canada. That was not done then. That was not done when I suggested it again to this government in the spring. Again, I would urge the Prime Minister and his government to consider the establishment of a standing committee on the Constitution so that members of Parliament also can be continuing to work on the Constitution of our country.

As I said, it is not simply enough for a group of Canadians to travel the country, but to find ways to bring people together in our country. I talked about the cuts to the CBC. I could have mentioned also the cuts to VIA Rail, which is another way from east to west that maintained some unity in our country.

This government has cut exchange programs from high school students. These are the things that bring people together. We should be developing initiatives for our young people to meet each other and have a dialogue, not simply to cut them back.

It is also a government that has cut aboriginal communications and women's groups communications. The government must be consistent here. If the government is truly dedicated to promoting Canadian unity, yes, it is the Constitution that is important, but it is just as important to make sure that groups can communicate with one another and that we can come to know each other.

There are other problems that are creating a lack of unity in this country today; that is, the economic situation of this country. The trade deal with the United States and the proposed trade deal with Mexico has already caused the loss of some 165,000 jobs in Canada. Every day, we read of yet another series of lay-offs: hundreds, and sometimes in the thousands.

The Prime Minister said that we are a rich country. I agree. As a rich country, we must hang our head in shame, and this government must hang its head in shame when one in six of our children still lives in poverty, when rural communities on the west and east coasts, and in central Canada, are being devastated by the economic policies of this government.

We know that in this country small business is one of the greatest creators of job opportunities. Yet small business itself is being devastated by the economic policies of this government. This is not the action of a government dedicated to unity. We must redress the imbalance in our economic system.

I say to the Prime Minister: Regional discontent in Canada, the disparity between the rich and poor does not simply lie with the constitutional structure. It is a product of economic and social policies. During the trade debate, we were very clear in this party about our concern for our natural resources, for our renewable resources and non-renewable resources.

We were very concerned about protecting the social programs. What has happened? Unemployment insurance has been privatized. Fish stocks have been devastated. Environmental review has really just become a shell and not a real environmental review. Things that will bring this country together are the shared and common values, as the other speakers have said, but those shared and common values must be represented as well by a shared and common responsibility, and a government that will stand up for the public interest, the public good and listen to all Canadians, and not just to the corporate voice.

How can we have fairness? How can we have unity in this country when women still are not paid equally with men, we still do not have adequate child care for our children nor, in fact, for many children even the basic necessities of life, shelter and food? How can unity be promoted in this country when every day there are more unemployed, more of our Canadian heritage is being sold to foreign interests and our sovereignty is compromised by another country?

This government has no full employment policy. In fact, in subsequent budgets the government has shown what the level of unemployment will be. Of course it has always underestimated it.

• (1630)

However, if this government were committed to Canadians and the Canadian interest, we would see policies of full employment. We would see policies of putting the environment before the interest of profit. We would see a government that says: "We are going to stand up for the public interest. We are not going to sell off Petro-Canada. We are not going to try to sell it back to Canadians and then sell a percentage to foreign owners. We are going to say that Canadian resources belong to

Canadians, and they will be operated in the interests of Canadians".

Some hon. members: Hear, hear.

Ms. McLaughlin: Those are the actions of a government that cares about Canadians, that cares about unity. The commission that has been appointed is a good step to begin the kind of dialogue, but it cannot just be the exclusivity of that commission.

I would like to see the government take action, as well as dialogue, and listen to Canadians to create ways for Canadians from coast to coast to coast to talk with each other and to learn about each other in French, in English, in aboriginal languages, in all of the languages people are most comfortable with.

Canada, as it is today, is still a very rich and prosperous country. We are rich not only in resources but in ideas. We are rich in cultures. We are richer for having Quebec as part of Canada. We are rich because of the north, because of the first nations of this country, because of the number of people who have chosen Canada as their home.

Yes, we have a financial deficit, but we have an even greater deficit if we do not all work to preserve this country, to pass this country on to our children, and to say that the worst deficit is the person who is homeless, the person without enough to eat, the young person who has no hope for a job in the future.

In order to bring us together, we must indeed resolve a Constitution that provides for equity and fairness from coast to coast in this country, equity between races, between language, between provinces and territories, between men and women. I believe very strongly that we can do this, because what Canadians do not have a deficit of is the spirit and the will. We have much to learn from each other. People in the Yukon have a lot to learn from people in Quebec, and vice-versa. That is true for across this country.

[*Translation*]

In spite of all these flaws and injustices, our country is still a great accomplishment: a meeting of various cultures and people separated by great distances, of communities united in their efforts to achieve the same goal.

[*English*]

We will await the terms of reference of this committee. I hope the Prime Minister will ensure that we do have a standing committee on the Constitution, that we do expand the process, and that we are able as parliamentarians to share in an ongoing way in the discussion of the committee's work. I would ask that the Prime Minister ensures that this committee will report not just to himself but to all parliamentarians and to all Canadians in a public and an open manner.

There are many things that we have to resolve. There is one thing I am sure that all parties can agree on, and that is that we must not lose what those before us have built and we must not give away what those of us hold in trust.

I wish the commission well. We in the New Democratic Party will participate in any way that we can across this country. I believe that we can create a more caring and compassionate country. I urge the Prime Minister not only to open the dialogue on constitutional matters but on economic, social and environmental issues that are of concern to all Canadians.

Some hon. members: Hear, hear.

Mr. Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince Albert—Churchill River—the environment; the hon. member for Hamilton East—the environment; the hon. member for Chambly—the environment.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I appreciate this opportunity to make a few comments following the speech by the Leader of the New Democratic Party, and I must say that unlike the hon. member, I do not think this committee will accomplish anything of any substance, and that basically, it amounts to an admission of weakness by the government.

It is as though the government had shed its responsibilities and leadership and handed them over to the local quilting club and the kitchen-meeting circuit.

Mr. Speaker, should Canada's future be put in the hands of the non-elected? I wonder why the Prime Minister didn't ask the senators to be in charge of this committee. That would be just as democratic as what he announced this afternoon.

Mr. Speaker, I think the speeches by the various party leaders were the kind of speech they would have made in 1980. Ten years later, it is too late to decide to listen and respond to the question "what does Quebec want?". It is even worse this time, Mr. Speaker. The Quebec Round has been deep-sixed, and Quebec's legitimate demands, which are a prerequisite for any negotiations, will now be swallowed up by the demands of all Canadians.

The Prime Minister's failure to achieve national reconciliation has now been transmogrified into a kind of mini-committee which, as I see it, Mr. Speaker, will show Quebecers the utter lack of understanding that exists vis-à-vis Quebec.

Mr. Speaker, I have the distinct impression that if all the hearings are televised, they will prove to be Quebec sovereignty's best ally. I am convinced that night after night in the months to come, television will show Quebecers intolerance, lack of understanding and a refusal to accommodate our distinct identity.

And this is unfortunate.

The Secretary of State for External Affairs, who is very sensitive to Quebec issues and who will rise later on, must realize that what we will get before this committee is a demonstration of ill-will. Actually, we should be relieved at the federal government's lack of imagination.

What I want to say, to the Prime Minister and to this House, is that we are not impressed at all by this diversion, and that the real purpose of this committee is not nation building but to provide a media event for the Prime Minister's weekend convention. We are only too aware that this is all part of a plan to shut up the Quebec Conservative Party and give them something to chew on during the weekend.

Mr. Speaker, I think this House is very disappointed in the government's lack of initiative. On the other hand, we see this committee as an opportunity for English Canada to do some soul-searching. That is good news. But in any case, it's too late, so use this committee to decide how you intend to negotiate with a sovereign Quebec.

If the committee really wants to fulfil its mandate and listen to the concerns of Canadians, it must be prepared for the choice Quebecers will make, irrespective of its findings.

Mr. Speaker, these comments were made subsequent to what was said by the Leader of the NDP, and I thank you for giving me this opportunity.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, first of all, I did not make a speech for 1980. I think we must look to the future.

• (1640)

Neither I nor my party are separatists. We intend to work together with all Canadians for the future of this country, a united country that is a reflection of our cultural diversity. I am proud of the fact that, for 25 years, my party has supported the concept of Quebec as a distinct society, and we will continue to support that concept, as well as the rights of natives, women, and the other provinces and territories, so that they will all have a place in Canada.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I think it is clear that what the Prime Minister said in this House at a very important moment in our history was well received, both by the Official Opposition and the Leader of the New Democratic Party. I deeply regret that among all these efforts to restore Canadian unity, efforts that may be a bit late in some cases but that are nevertheless being made by the Prime Minister at this time, the only strident note was struck by a member who seeks what he calls Quebec's sovereignty. I believe it is still possible to say that Canada, the Canadian federal system, provides the best guarantee for the survival of Francophones living in the province of Quebec, and that the federal structure is still the best system of government for the legitimate aspirations of Quebecers.

If some members in the Parliament of this country appear to have lost confidence in Canada, I find that regrettable. I think they are doing a disservice to the people of Quebec by taking a defeatist and pessimistic stance with respect to Canadian institutions that have admirably safeguarded the survival of French and French culture over the years.

Some hon. members: Hear, hear.

Mr. Ouellet: Although today, the Prime Minister has decided to let a group of citizens take over part of his responsibilities, I hope that following the work done by this group of eminent Canadians, the Prime Minister will be able to take a more enlightened approach to the kind of solutions he will put before Canadians and the provincial Premiers, in the interests of our country. Nevertheless, I applaud the action taken today. I have the greatest regard for Mr. Keith Spicer whom I have known for a long time, and I think he will do an excellent job as chairman of the forum. I wish him the best of luck. On behalf of the Liberal Party of Canada, I want to congratulate those who have agreed to serve with Mr. Spicer on this forum, and I think that although what they do will not provide the final answer to Canadian problems, the forum will most certainly provide a vehicle for as many Canadians as possible to express their views in the interests of unity, which I think is essential for the many Quebecers who, I am convinced have not lost confidence in Canadian unity.

[*English*]

Ms. McLaughlin: Mr. Speaker, I welcome the opportunity to reiterate once again that my party and I are absolutely committed to doing what we can to leave to our children the country that we inherited.

That does not mean it is the same country and the same *status quo*. It means that we can find new ways to relate to one another, that we can find ways and probably better ways to recognize and respect one another.

I am proud to participate in that process. The initiative of the Prime Minister may not have been the one that I would have taken necessarily, and as I pointed out in my speech, it could have been done in some other ways. We have begun the dialogue. It is important now for all parliamentarians of goodwill who want to work for this country to support that process.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise to take part in the debate. May I say on behalf of my colleagues in the government how pleased I am at the support that has been expressed by the leaders of the other parties in the House for this initiative.

As we all know—no one knows it more dramatically than those of us who are in politics—we live in a cynical time. There have been some expressions of doubt about how this commission will proceed, how this forum will affect debate. I think it should be judged by its work.

It has been established by this government in recognition of some profound changes in the attitudes of Canadians towards Canada, and based upon a determination to do what we can at this critical time in the country, to ensure not only that Canadians participate, because that is simply a question of process—an important question but a question of process—but also to ensure that as we move forward from what I believe is genuinely a turning point in the history of this country, we all of us have the benefit of the best and considered advice of people across the country whose concern about their country we should never underestimate.

When I go home to my constituency or when I speak to Canadians across the country, I am always encouraged by the evidence that I find of the degree to which men and women, who have other things to do, think about this country, value it, have dreams and aspirations as to what it can become.

The question was raised as to the public nature of this process. It will be very public, very open. That is its design. The Prime Minister spoke quite accurately when he said that our purpose here is to put in place a system. I think this is the first time something like this has ever been done by any country anywhere, a system that will encourage people everywhere in the country, communities across the land, to speak and work together about what we want to make of this nation.

I think it appropriate to make the case that in times of great trouble in the country, and obviously we are facing times of great trouble in this country, the easy thing is to retreat to nostalgia or to simply put one's head down and say, "There is nothing we can do about that". The other easy thing, of course, is to attack other Canadians. I remember the words of a distinguished former leader of my party, former Leader of the Opposition, the Hon. Robert Stanfield, who observed once that nothing is easier in Canada than to unite most of Canada against some of Canada. That of course is easy. It has always been easy and it has never been worthy. That temptation may be there for some in the country. It is a temptation that I think the great majority of members of this Parliament, and certainly I believe the great majority of the citizens of my part of Canada, in western Canada, will want to turn aside.

I congratulate the Prime Minister, not only on bringing this in, but having the imagination at this time of great crisis in the country to be prepared to look at new models, to recognize that there are faults in all of us and that we are only going to be able to make the most of this extraordinary country if we recognize some of those faults and are prepared to adopt new ways of defining together the nature of the country.

Along with a number of other members—

[*Translation*]

I must add something because my friend, the hon. member for Shefford, used the word "intolerance". He was the only one to use it in this debate. He thinks the public hearings will indicate a feeling of intolerance across Canada. I doubt it but we will see.

I think this process will reveal neither intolerance nor hatred but a much more positive attitude toward Canada by citizens from Quebec and Alberta among others. He does not agree with me at the moment, but I intend to wait for the process to indicate what Canadians really think.

• (1650)

I am convinced that Canadians want a country known for its tolerance.

[*English*]

Mr. Speaker, with a number of other members, I celebrated—one is never sure whether it was an honour the other night—the eighteenth anniversary of my election to the House of Commons. I have to say that in that period of time, and in the time in which I was honoured to work in public life before that, I do not think there has ever been a period in which one could be less certain about what would happen to this country, or, indeed, the challenges that were facing the nation were greater than they are now.

I have had the privilege over that time to take part in the great national debates that have shaped the country. I had the privilege, along with others who were in the House, who are in the House now with the Prime Minister, to take part directly and personally in the debate in Quebec during the referendum.

I have had the opportunity, sometimes uncomfortably, to have to defend the politics of national unity, to have to defend the Official Languages Act and other instruments across the country. I have done that with pride.

I think we are now at a time in which there has been quite a profound change in the attitudes of Canadians towards the country. Let me speak for my part of the country. I believe that the reaction in my part of the country to the Meech process was that there were opponents there, large numbers of opponents.

I believe at the end of the day they were, in fact, not opposed to the idea of a distinct society. There will always be some in western Canada who worry about that view and there will always be people there who seek to exploit them. But I think that that was not the principal concern at the end. At the end it was a concern of process. I think people did genuinely feel that the process that had worked for years excluded them, that there was something wrong with the institution of federal-provincial relations.

Certainly in my part of the country there is a profound sense that there is something wrong with our parliamentary institutions, more the other place than ours, but both our places, a sense that these institutions do not reflect the real requirements of a country that has become, among other things, much more educated, much more sophisticated, in which people have a much greater capacity to take decisions themselves as to the future of the country.

By the failure of the Meech Lake process, there was brought into sharp focus, in western Canada at least, a profound dissatisfaction with the way the country works; not a dissatisfaction with Canada, but a dissatisfaction with the way the country works. To any of us who have had the privilege of being acquainted with Quebec, that part of Canada, there was a profound disappointment at the rejection of Meech Lake, and some sense that Canada had turned away from Quebec.

I thought that one of the most important questions that was posed in the immediate aftermath of Meech Lake was a question posed, not by a member of this House, but by the Liberal Prime Minister of the province of Quebec. He made the observation—I believe it was on the floor of the National Assembly of Quebec, that for a long time the question had been, "What does Quebec want?". Now the question is, "What does Canada want?".

Mr. Speaker, that is a very good question, a question for Yellowhead in Alberta, a good question for Quebec, a good question for Toronto, a good question for the north, for Halifax, for everywhere in the country, because we are facing a time when we have to answer that question.

What is it that this country wants? We know our history. As the Prime Minister outlined with such eloquence today in the House of Commons, it has been a history that, of course, has been marked by differences, divisions, and very often, by danger.

We know that history. And we know that we have formed out of that history a quite extraordinary society, a society that is marked as almost no other in the world is, by a tradition of diversity, a capacity to reflect a wide range of cultures and traditions here within the context of one nation. But how does that apply to the world we are facing now? I think those are questions which should not be looked at as constitutional questions because they are not narrowly constitutional. Those are questions about who we are as a country. Of course it is important that parliamentarians address those questions, as all of us do, but it is also important that the people of Canada, whose country this is, have the opportunity in a formal, organized way to address those kinds of questions. This process is not simply to travel the country.

The Prime Minister made it abundantly clear that this is not a royal commission like others. Other royal commissions hear briefs by formal groups, bear presentations to government. What this is designed to do is to make it more possible, to encourage individual Canadians to speak with other individual Canadians; people who may not have met one another before, people who come from different cultures and people who have different ways of looking at the country. This commission is not to celebrate or to deepen our differences, but to find ways by bringing together the quite remarkable diversity of this country, we can define what kind of nation we want to have by the year 2000, what kind of nation we want to have as we face the extraordinary new challenges the world poses to all civilized societies.

If I may revert to my role as the foreign minister of the country, that is important to us, and we should never forget it in this House. It is also fundamentally important to other peoples in the world.

The Prime Minister evoked that great Irish poet, Robbie Burns—

An hon. member: With a Scottish accent.

Mr. Clark (Yellowhead): Well, I thought I could get away with a bit of humour, but I see that I have as much luck in the House as I do in the cabinet.

Mr. Speaker, there is no question that other countries of the world take great confidence from the success Canada has made of bringing together diversity. Indeed, there is no question that if we continue the role of leadership that is open to us, both practical leadership, the kind of which I speak, and moral leadership, of the kind which others in the House speak of more often, our capacity for that kind of leadership will extend quite dramatically if we are capable of continuing and extending into the new world of the future the quite remarkable ability to bring together differences that we have here. Nor is this process designed simply to be about constitutions, which are formal things. What this is designed to do is encourage Canadians to think about the kind of country we want our constitutions to reflect and to express.

There will be times for constitutional discussion. There will be times for lawyers. This is a time for ordinary Canadians who have views about their country to think what those views should be and about what the country should be and try to find some ways in which we can come together. We face fundamental historic challenges, as we always have, in relation to French and English speaking Canadians. Those have always been serious and they are now. They are a great challenge.

The debate is larger now. The debate is also a debate, not simply about the role of Canadians of French or English speaking origin in this country, but also the role of Canadians of other origins. To an increasing degree it is a debate, at least from my part of the country, about how different regions can find their expression and find their future and find a sense of continuing identification in their country, Canada.

It is a matter of irony to some, and of more acute concern to others, that in this government which has been able to act on the agenda of western Canada, getting rid of the national energy program, getting rid of the foreign investment review agency, getting rid of a number of the instances which had been such a source of antagonism towards the centre in western Canada. Even though all of those individual programs are gone now, there is still unquestionably a sense of alienation in that region. There is still unquestionably a sense in western Canada that the goals of that region are not reflected in the nation as much as they should be. So the challenge now is to look beyond the question of dealing with specific policy changes, and to take a look at the institutions of the country to see how well they serve us and how they can be changed.

It would be presumptuous of us to assume that we are the only ones—

The Acting Speaker (Mr. Paproski): I regret that I must interrupt the hon. gentleman. He will have six minutes remaining, plus 10 minutes questions and comments the next time the debate is before the House.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Manley (Ottawa South) moved that Bill C–273, an act to amend the Criminal Code (gun control), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, in presenting this bill which received first reading on November 7, 1989, it is worthwhile to think back to the events that occurred one month later. At the University of Montreal in the faculty of engineering on December 6, Marc Lepine entered, bearing a semi–automatic hunting rifle. By the time he had finished his carnage, he had killed 14 women, wounded 13 other people, and taken his own life.

The purpose of this bill is not to address directly the issue of Marc Lepine, but it does address the issue of gun control. It asserts, by the very virtue of its having been presented here, my belief that gun control not only is in the interests of Canada, and the public in Canada, but it prevents incidents such as that that occurred at the University of Montreal from occurring as frequently or as regularly as might otherwise be the case.

I am not unaware that this kind of legislation tends to be controversial. It certainly attracts correspondence, as I can attest to myself, from those throughout Canada who think that in fact there should be freer access to firearms. With respect, I disagree with those people and I believe the somewhat modest changes in the firearms acquisition certificate system that I am proposing in the present bill, not only make sense, but would improve the bill and the law in Canada. This bill is an improvement in several ways over the legislation which the government brought forward in Bill C–80.

Just to give you an idea, Mr. Speaker, of the perspective that I have on this, think of some of these things that have happened.

Last year, during the first week of hunting season in the counties of Grey and Bruce, eight hunters were charged with firearm–related offences.

In Manitoba, August 1989, Winnipeg police conducted a three–month under–cover operation that showed that 12 gun store employees sold guns to under–cover police officers, even though they did not have the proper certification. In total, officers brought 12 guns, including two shotguns and various 22–calibre rifles from a dozen dealers.

Superintendent Wayne King of the Winnipeg police reported that in 1988, there were 96 cases of stolen certificates.

In St. Catharines, Ontario, a 14–year–old boy pleaded guilty to manslaughter when he shot his friend after taking a pistol from his father's gun case. Before the shooting, the youth wandered around his neighbourhood randomly firing the handgun, narrowly missing a mother and daughter sitting in their living room. The court was told that he shot a boy once in the chest and once in the back of the head as he lay on the ground. "He had a couple of beers and was acting goofy, so I shot him." On it goes.

In Canada, criminological research published in the *Canadian Journal of Criminology* shows that there has been a remarkable decline in armed robberies and homicides with handguns since gun controls were introduced in 1978. In addition, the findings indicate that there is no support for the hypothesis that restrictions on guns lead to an increase in homicides and assaults with non–shooting weapons such as knives. There is research that bears that out, particularly in the United States. I

am referring to some research performed by Franklin Zimring and Gordon Hawkins who wrote *The Citizen's Guide to Gun Control*. This is what they found in the United States. In Detroit, which has experienced a substantial build-up of guns from 1965 to 1968, the number of gun permits issued increased tenfold. During the same period, robberies committed with guns increased at twice the rate of non-gun robberies.

When they examined the issue between regions, they reported that gun homicides and gun assaults parallel gun ownership. Crimes are higher in regions that have higher gun ownership. Between cities, the same analysis proved to be correct. They compared Houston, St. Louis, Atlanta, Los Angeles, San Francisco, Pittsburgh, Boston, and New York.

They also examined the question that, if guns were scarce and would-be killers had to find other weapons, that there would be as many deaths. In fact this proved not to be the case. They discovered that gun wounds were over five times more likely to cause death than stab wounds. Guns have greater range, are less easily warded off, and require less physical and psychological strength than other weapons.

Similar research findings exist in Australia. The New South Wales Bureau of Crime Statistics and Research bears this out.

Needless to say, England is an example where it is very difficult to obtain firearms and in fact even police in the United Kingdom do not bear fire arms in the ordinary course. The crime statistics bear out the fact that this kind of control results in fewer crimes.

This is all in the context of what is easily discoverable by looking at our newspapers. I have pulled some clippings, all of which are from since first reading of this bill. "Woman shot in hand while deer hunting". "Car gets hit by stray bullet". "Deer decoy sets bait for illegal hunters". "Hunter killed in Dunedin". "Hunter fined in shooting death in Walkerton". A reward is offered in Cambridge, Ontario, by a farmer who is trying to track down those responsible for blasting two of his horses with a shotgun.

And it goes on: "Vancouver mayor and police target guns". "Boys with handgun try to hold up store". "Bus boy captures suspect after shoot-out"—this is in Ottawa. "Man charged in shooting in North York". "Rifle is stolen in break-in in Huron Township". "Richmond Hill man shot while hunting". "Gun fires accidentally in gas bar robbery in Scarborough". "Thief on probation", in Chatham, Ontario, where a 19-year old man robbed a firearm store at gunpoint less than three weeks after being placed on probation. And on it goes, Mr. Speaker, on and on. These examples of criminal activity occurring in Canada with firearms.

What I would like to bring forward to your attention, Mr. Speaker, are the simple elements that I have suggested in Bill C-273. I do not suggest for a moment that this is all that needs to be done to amend the gun control provisions of our country. There are many elements of Bill C-80, the government's bill, that I think are good. I do not think it goes far enough in other ways. We are not debating Bill C-80 here today. But I have suggested just a few changes to the firearms acquisition certificate system in Bill C-273 that I think will make an improvement to the system we have got.

First, I suggested that the age for obtaining a firearms acquisition certificate be increased to the age of majority in Canada, 18 years of age.

Do you know what happened, Mr. Speaker, in this city, in Ottawa? A mother was contacted by city police after her 16-year old had applied, without her knowledge, for a firearms acquisition certificate. The police contacted her as a matter of courtesy to let her know that her son had applied for this certificate. It was not necessary for the police to do so, and under the existing law it is possible for a 16-year-old, without parental knowledge or consent, for the payment of a $10 fee, to obtain a firearms acquisition certificate that would enable him or her to go into a Canadian Tire store or other gun seller and purchase a firearm in Canada. Essentially, it is the same way Mark Lepine did, although he at least was over the age of 18.

• (1710)

Second, I propose when an applicant wishes to obtain a firearms acquisition certificate, in addition to the other requirements of the law, that he be able to prove in a satisfactory way to the police that he is able to provide secure storage facilities for the firearm. The reality is that many, many firearms offences occur in Canada with stolen firearms. I realize there will be some enforcement

problems with this provision, but I am asking that the government put forward regulations that would define as a minimum the secure storage requirements in a person's residence for a firearm for which a certificate has been issued. It should be secure, it should be locked, and they should be able to provide evidence that that is the case.

It would be a minimum, if a firearm were reported stolen from a principal residence, that evidence of break in of a secure storage device be proven, and for those who have concerns about children using firearms that are owned by their parents, it would enable them to have the comfort of knowing at least the parents were under some legal obligation to establish that they had a secure means of storing the firearm.

The next thing I propose with this bill is that the fee for a firearms acquisition certificate be increased from $10 to $100. We could argue about the amount. In Bill C–80, the government proposes $50. It just strikes me that the fee of $10 is so ridiculously low that it does not come close to generating revenue to pay for the system of firearm acquisition certificates. It is a simple matter to me that if we agree that such a system should exist in Canada, then those who wish to possess firearms should pay for the system and support it with their fees. So, $100 is what I suggest. The government suggests $50. It seems to me that an increase is clearly warranted.

The next suggestion I make is that the firearms acquisition certificate identify the type of firearm in relation to which it is issued and be valid in respect of one such firearm. The importance of this is that currently when an individual obtains a certificate, they are able to go out and acquire as many firearms as they wish with that certificate. Consequently, when the police are contacted with respect to a quarrel in a residence, they may from their computers be able to determine that a firearm acquisition certificate has been issued to a person residing at that address. When they arrive at that address, they do not know if there is one solitary weapon or firearm, or perhaps a whole arsenal, behind its doors and windows. It strikes me that in our society we require people to have one ownership certificate for each motor vehicle they possess. I fail to understand why we would not require a similar law for each firearm that they possess.

I have taken the trouble with the provisions of this bill to seek out the reaction of police forces across Canada. What I have discovered is that by and large police forces have been eager to support the provisions of Bill C–273. I will not endeavour to review all of the correspondence that I have received. I have received it from every part of Canada. I will give some examples:

[*Translation*]

For example, William D. Patterson, from Mascouche, Quebec, says: "We want to inform you of our support for the reforms proposed in Bill C–273 and we wish you good luck in your efforts."

[*English*]

Similarly, D. J. Crowell, chief of police in Kentville, Nova Scotia, regarding the proposed changes in Bill C–273: "Please be advised that I support these changes fully." Similarly, from David J. Sherwood, chief of police in Saint John, New Brunswick: "considering that guns play a large part in the occurence of crime in our country, I most certainly will lend support to your proposed changes in Bill C–273."

[*Translation*]

Normand Bergeron, a police officer in Quebec City, writes: "We fully support Bill C–273 on gun control."

Christian Harvey, from Chicoutimi, Quebec, says: "I can assure you of my support for the proposed reforms—"

[*English*]

There is correspondence from Trois–Rivières, Leamington, Barrie, Bradford, Ontario, New Westminster, B.C., Victoria, B.C. There are many others who support these reforms.

When one considers the fact that crime with firearms continues to increase at an alarming rate in Canada, one thinks of the unnecessary deaths of many people. I suggest that these somewhat modest reforms ought to be accepted in our society.

I would like to respond briefly to the argument that is undoubtedly going to be made by those who oppose stricter firearms control, that criminals do not apply for firearms acquisition certificates. Some people will say: "If you are going to commit a crime, one does not go out and apply for a certificate to get a gun." I think Marc

Lepine is very good evidence that that is not necessarily the case.

Furthermore, this view ignores the reality which is made clear by criminological research. The majority of homicides in Canada occur among friends and in domestic situations. The Canadian Centre of Justice Statistics shows by its data that the weapon used most frequently to kill women and children in the home is a gun, usually one purchased for hunting purposes.

It is a simple proposition. Gun control works. There are some problems with the framework of law that is currently in Canada. Some modifications are called for and the government acknowledges that with Bill C-80. I propose a few which are similar and some which are different from what it is proposing. In the final analysis, these amendments make sense.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise as justice critic of the New Democratic Party to speak briefly on this private members' bill.

I would like to comment generally on gun control and then I will comment, clause by clause, on the bill put forward by hon. member for Ottawa South.

I refer to a story by Peter O'Neill of the *The Vancouver Sun,* Ottawa bureau. It appeared in the *Victoria Times Columnist* recently. It states: "Gun control legislation faces death, Ottawa. The federal government's controversial gun control legislation may die along with the current parliamentary session, Justice Minister Kim Campbell said Monday". It goes on: "Campbell said she would discuss with her Conservative colleagues next week whether there is still time to hold public hearings to get the bill through the Commons." It has almost been a year now since the 14 women were killed at the École polytechnique in Montreal by the crazed man Marc Lepine. There was a great outcry to deal with an update of gun control. The government promised that.

• (1720)

I just want to say that the government has been very gutless here. It is a broad gutlessness if you like, Mr. Speaker, because not only has it failed to deal with a bill, but it has have failed to even deal with a bill from both sides, from not only the people who oppose it, but the people who are for gun control.

I believe that there is a way here in which we can have stronger gun control that will stop crazy people, criminals and people in a fit of passion from getting guns and will keep Canada different than the United States, where they have 45 million handguns, but will also protect our traditional ways of life in the north among hunters, fishermen and trappers and so on.

I want to address some of these concerns. I think the Minister of Justice is gutless in not dealing properly with gun control. I am putting her on notice, come the one year anniversary of the Montreal killings, I will be putting a question to her as to what has happened with her bill and what she has done.

I want to say this to the hon. member for Ottawa South. In the little experience I have had, as justice critic and looking into this gun control legislation, I visited the RCMP and saw all the different guns. I went into the firing range and fired an Uzi and I looked at all the pistols they had seized and everything. I went through the act and I tried to come to terms with all the technical matters of the act. There are some problems with this bill. Let me just outline them.

The first one is you need a firearms acquisition certificate to get a gun now, unless your gun is grandfathered before the law came in during the late seventies. You raise the age to 18. You have got a problem. What about in rural Canada? I say this to the member, and I hope he is listening. I have noticed and you must notice, there is a difference between the people who live in Ottawa South, or the centre of Vancouver, Toronto or Montreal and those who live in the rural areas. Whereas, like my friend right next to me here has, let us say, a 16 year old son who wants to go hunting with him. What we have to consider in that area is whether that is going to be an impossible prohibition to those younger people who may in the rural areas be like 18 year olds, in fact, have grown up in many ways and are responsible. I would want to look at that very carefully.

The second part of his bill I like very much, the fact that the applicant should provide secure storage facilities. I think any reasonable person, that is who we are trying to deal with in these firearm certificates, would do this. I think that is a good part of his bill. I think the government should consider that and indeed, I will consider it closely when we are debating the government's bill, if we ever get to debate it, Bill C-80.

The third part of his bill suggests the fee go from $10 to $100 to get one of these certificates. The government's bill would have it go to $50. You have to look at what the intention is here. What is the intention? Is the intention really to generate revenue? On the intention of the firearms acquisition certificate and whatever fee should be attached to it, I think what we are looking at is to make sure responsible people get a certificate and therefore, get the guns and not people who are emotional, temporarily crazy, have a bad history or have a criminal background.

I think we would be best not clouding the matter with fees that sometimes that could be too high. For example, my friend here tells me that he has got a couple of guns: one gun to hunt moose and another gun to hunt partridge. If he took his son along with him, he would need a firearms acquisition certificate. That would be $400. It might get too expensive, so I make a plea.

I make a plea. Those people who are anti-gun control are flooding the Deputy Prime Minister's office with "stop this bill", Bill C-80, the government's bill. They do not want to see gun control. I say to those people, please accept that I think the majority of the people in this country want to see gun control and a good strong gun control.

Those people who are for gun control, like the hon. member who has just spoken, while being strong in the position—and I put myself in this position as well—let us be realistic. Let us get a system that recognizes urban rural differences. Let us be flexible enough that we can accommodate hunters, trappers, collectors and so on, so that we can bring them on board with gun control. That would be the real genius.

If the Minister of Justice and the government were listening, they would take the best from this hon. member's bill, the best from some of the bills that were presented the other day. They would bring their bill down quickly. They would hold hearings right away to bring in all the gun clubs and the other people, because this is really important. They would bring in as many different points as possible and they would fashion a real workable gun control legislation in this country. I think that is what the hon. member for Ottawa South wants to see and that is what we in the New Democratic Party want to see as well.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is a pleasure to take part in this debate tonight and respond to the hon. member for Ottawa South in relation to his bill, Bill C-273.

The question does come down to what is effective gun control? There is not a member in this House who does not recognize the need for effective gun control, whether it be NDP, Liberal or members from my party. We do not argue that.

In a free society, obviously it brings another dimension into the argument as to how free a society can we have. Do we want a system as they have in the United States of America where I believe you can own just about any kind of a gun with virtually no restrictions at all. If you look at the statistics in that country, I think that most of us would agree that it is probably too free a system, that you do pay a price in society for having guns available to the extent that they do have in the United States.

I do not think we want to take that route for one minute, Mr. Speaker, because the system south of the border is broken down to the lowest common denominator. It is too easy.

If you examine our gun control law in this country, you will find that it is very effective. It has achieved the type of things that we wanted to achieve. It has allowed the law-abiding Canadian to have and use guns for recreational purposes and for purposes that we see day-in and day-out in ridings such as mine, a rural riding.

In my riding, for example, there would be very few households where they would not have a gun. The problems attached to the ownership of those guns are virtually non-existent, although problems do occur from time to time.

The question is, how do we keep those problems from occurring? What what type of restrictions do we put on the average Canadian? What type of a society do we create to stifle or eliminate those types of problems from occurring?

If you examine the present law that we have in Canada, Mr. Speaker, I think you will find that it is pretty effective. Let us take a look at what we do have.

We do have a firearms acquisition certificate, known as the FAC. That certificate ensures that new gun owners are screened. It ensures that those who acquire guns on a regular basis are rescreened every five years. What does that mean? We have some safeguards built into the system so that not just anyone can walk in and purchase a gun. I am the first to admit that the screening process

can be improved upon, and it will be improved upon by Bill C–80.

• (1730)

Also, the law restricts access to persons under the age of 16, except in cases where the child is under the supervision of an adult or in a few cases where the gun is a necessary part of the hunting or trapping life of that family. We do have restrictions and we do have a system in this country that is probably the best in the western world.

Firearms that are more likely to be used in crime are subject to even more restrictions. Handguns have to be registered with the RCMP and require special possession permits. Machine guns, sawed–off rifles, and shotguns are strictly prohibited, period.

Special offences and sentencing powers are in place to provide additional punishment for those who violate gun control laws or use firearms to commit other crimes.

Those are just some of the provisions within our existing legislation which make our legislation different from that of the country to the south that the hon. member mentioned in his remarks. There is a big difference. I do not think we can sensationalize this issue and I do not think we should, but there is a marked difference between the system we have and the system it has.

We must remind ourselves that from time to time our system has to be reviewed. I do not argue that. That is exactly what we are doing in Bill C–80.

Some of the amendments the member for Ottawa South is putting forward are worth examination. Let us take a look at those. One of his amendments would require applicants for a firearms acquisition certificate to establish that they have a safe place to store a gun. No one would argue with that.

To drive home the importance of a safe storage area for a gun, the other evening on the radio a young father was interviewed, 25 years old or so, whose little 3–year old boy was accidentally shot by the father through the mishandling of a gun in their own home. The first thing he mentioned was the safe storage of guns. No one would argue with that. It is reasonable.

The member also mentioned the increase in the licensing fee, the FAC, to $100 per certificate. I think that $100 is an unreasonable amount if we look at a cross–section of the country and areas in rural parts of New Brunswick and of Ontario that are using guns for hunting and in trapping situations. There are still a few trappers left in this country.

Under the new system the member would propose, it would mean to a gun collector a $100 fee for each transaction. It is putting restrictions on bona fide gun collectors. I think that is most unreasonable. His system would also require a new FAC on every purchase made. Under Bill C–80—and if the amendments the member brought forward became part of this bill—we would have a 28–day waiting period for each and every acquisition along with the $100 fee; most unreasonable.

Our present system is not to deter gun owners, but to screen out and deter only those who should not have access to guns for reasons of their own safety or the safety of others. That is what we have to attempt to do, and that is what we will do within Bill C–80.

The value of this debate and the value of some of the amendments that the hon. member for Ottawa South makes will come out in the legislative hearings on Bill C–80. It would be right if the member would bring those forward so that we could openly discuss, debate and modify some of his suggestions. None of us will argue with a safer gun law in this country.

Some of the hon. member's proposals can fit into our existing system but some clearly cannot. For that reason I cannot support his bill, and I urge my colleagues in the House to reject his amendments as well.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott–Russell): Mr. Speaker, it is with pleasure that I rise this afternoon to support the motion put forward by my colleague from Ottawa South requesting that Bill C–273 be adopted.

There are serious questions we have to ask ourselves in this country. Why is it easier to buy a gun than a case of beer in Canada? For instance, a 17–year old Canadian can apply for a firearm acquisition certificate without even asking his parent or another authority for their consent, as my hon. colleague from Ottawa South

indicated a moment ago. But, coming back to my example, you do not need one to get a case of beer.

In our society, it is not forbidden to hunt while drunk.

[*English*]

That is important. It is not an offence in Canada to hunt while drunk. There is no such offence in this country. It is only illegal to point your gun at something once you are drunk. You could walk around in the bush with a loaded gun on your back and be drunk, provided you can stand up, and that is not an offence. There has to be something wrong with our laws when that kind of nonsense is allowed to happen. You can probably buy a case of dynamite easier than you can buy a case of beer. What is wrong with us?

We have a proposal today by a colleague to tighten up slightly—and it is only slightly; let us not kid ourselves—our gun legislation in this country. We are proposing under this bill to have one firearms acquisition certificate per purchase of gun. Does that not sound reasonable? Every time you buy a new gun, you go to ask the police and the authorities whether you are fit to own one.

[*Translation*]

The existing legislation states that the certificate shall remain in force for five years. How are we to know, Mr. Speaker, if you or I will still be fit to own a gun four years and 364 days from now?

I sometimes wonder if I will still have all my wits from one week to the next! I surely am in no position to tell what will be the case four years and a half or five years minus one day from now.

[*English*]

Yet, five years from now or five years less a day I could use a firearms acquisition certificate that I bought today and buy my 499th gun with it. That is not against the law. Why do we need firearms legislation?

• (1740)

[*Translation*]

Mr. Speaker, one third of the homicides reported in Canada in 1989 were committed with a firearm. Of the 218 homicides by gun, 44 per cent were committed with a rifle, 25 per cent with a handgun, 17 per cent with a shotgun and 2 per cent with a sawed-off rifle or shotgun. These are very sad statistics.

[*English*]

A few years ago I read in a United States magazine about fire arms incidents there. Of course they are far worse there than they are here, but I think the message was obvious. It said, and I paraphrase because I do not remember the numbers exactly, that last year in Britain there were 250 homicides by guns; in France there were 300; in another European country there were so many; and in the United States there were 10,552 or something to that effect. It ended by saying: "God bless America."

The same article made an important point. Of all the United States presidents who were murdered, assassinated, or on which there was an attempt against their life, every single one of them was with a firearm. No U.S. president was stabbed. No U.S. president was ever attacked with any other kind of a weapon than a firearm.

In this country we have only lost one national political figure, and his statue is right at the back of this building. It was Thomas D'Arcy McGee, and Thomas D'Arcy McGee regrettably was shot.

Is it not time we started to learn from what we know so well?

[*Translation*]

I have here a letter signed by Mr. Michel Denis, the Chief of Police of Hawksbury, in my riding. This letter was adressed to my colleague from Ottawa South, who sponsored this bill.

It reads:

[*English*]

Dear Sir:

I read with considerable interest your proposed Bill C-273 regarding gun control.

We the Hawkesbury Police Force fully support your position. This position enables us to ensure a better protection to our communities.

We commend you for bringing this position so strongly to the attention of our parliamentary system.

It is signed, as I said previously, by the Chief of Police, Michel Denis.

This government might well talk this bill out today or it might defeat it, as I suppose is its right and as is our right as parliamentarians to approve or reject legislation in this House.

Let us think what is at stake. Let us remember that this is not stopping the ownership of guns. This is tightening up on rules which are way too loose in Canada. In the process, we could all contribute a bit toward saving the lives of people who are being killed by the discharge of firearms in this country.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the motion under consideration today gives us a welcome opportunity to debate an issue of utmost importance to Canadians—rising crime or violence in our society.

For openers, Mr. Speaker, I can tell you that I totally disagree with the propositions advocated by the hon. member for Ottawa South in his motion today. And I will tell you why, Mr. Speaker, because I think it is important that I explain why I am so strongly opposed to some of the points raised in the motion of the hon. member for Ottawa South.

I am sure the hon. member will agree with me that it all depends on the way we look at our country as a society. I suggest he will be the first to admit that a city like Ottawa may not be the most violent or a place where crime is rampant.

We hear about the odd fight now and then in this city. There are cities where criminality is a lot more apparent. I should like to invite the hon. member for Ottawa South to visit my riding of Abitibi—Témiscamingue, for I am sure he will agree that my region has often been described as a hunter's paradise. If the hon. member were to come with me to Abitibi—Témiscamingue in places like Rouyn—Noranda, Val-d'Or or Senneterre and tell the people there that it will be more difficult to obtain firearms, their reaction would be to want to walk down the street with the head of the hon. member instead of the horns of a deer. Back home it is unthinkable that we would tell 150,000 people that we want to make it harder for them to buy firearms. I can tell the hon. member for Ottawa South that people in my neck of the woods are born in houses full of firearms and that my region is indeed one of the most pacifist in Canada simply because people are used to firearms.

They know that a firearm can be the source of great enjoyment, yet that it can also be an extremely dangerous tool which has to be put in a secure place in the home. That is the point I want to get across to the member for Ottawa South. We have to be careful if we are thinking of imposing coercive measures on all Canadians, because all Canadians are not prone to indulge in crime or violence. I understand the intention of the hon. member when he makes this proposition, but I want to tell him that these would be quite restrictive measures in the case of a good many Canadians who are not violent by nature.

With respect to crime, the member for Ottawa South will agree with me that despicable murders are committed on a regular basis. Practically every day we hear about this sort of thing through newspapers and TV reports. But perhaps we should denounce more openly some of the papers that have a large circulation precisely because they specialize in crimes of this nature. I am not saying that we should hide those, but I say that some media give a lot of coverage to those cases. Every day, they show people covered with blood, people killed, and I tell myself that what we should be eliminating from this country are the causes that breed that kind of violence. We touched on those causes earlier. Poverty breeds violence. The member from Glengarry—Prescott—Russell was referring to drugs and alcohol. Many things drive people to violence and, Mr. Speaker, it is not because they will not find a firearm that they will not be violent. Violence can be done with a knife, a hammer or a rope, and people bent on violence will commit it, whatever tool or means are available to them.

So, Mr. Speaker, the object of my intervention is to say to the member from Ottawa South that we have to be very careful, because there are people in this country who can— He mentioned police forces which agreed with his petition, I can understand that. But surely, thousands and thousands of other police forces did not state their opinion on the motion of the hon. member for Ottawa South. I am quite sure that in an area like mine, a motion like this would not be readily accepted. I say to the hon. member for Ottawa South that this is rather like a social debate. Statistics may show that crime is on the rise, but I think we should work more on the causes than

on the weapons themselves, because when one is determined to commit violence, one will find the means.

I have got here very interesting statistics. I would like to give you, Mr. Speaker, statistics which I had on the number of applications received by the RCMP in 1989. I think they received about 200,000 applications, I can't find the exact figure but it was something like 200,000 applications. If the RCMP had to examine carefully every one of these applications, Mr. Speaker, if they had to go and check where these firearms were going to be stored, they would be faced with an incredible task and while they would be doing this, they would not be working on preventing other crimes. Drugs would be rampant, dealers would push drugs freely as members of the force would be tied-up with other tasks.

• (1750)

The hon. member has alluded to the way firearms are categorized in Canada. Now, Mr. Speaker, you know that most firearms in Canada belong to the unrestricted category and can be acquired without restrictions. There are also more dangerous firearms that are mentioned in Bill C-80. I think that the hon. member for Ottawa South knows that Bill C-80 is nevertheless providing for important measures to limit the access to dangerous firearms; those firearms are all the same used for legitimate purposes and are part of restricted firearms and there are firearms that do not serve any legitimate purposes such as machine guns and truncated shot guns that are among prohibited firearms.

One of the reasons of such a classification of firearms is to allow people who control firearms and enforce the law to concentrate their limited resources to controlling those firearms that are most dangerous to society.

The law provides that the majority of resources assigned to selection and enforcement be concentrated on high-risk firearms and owners. We select all new owners of firearms and require that people who want to acquire a firearm go through an additional selection test and register their firearms.

Another reason in support of the current classification is to minimize the impact of legal restrictions on the activities of most firearms users who use hunting rifles and unrestricted guns for recreational or hunting purposes.

The proposed amendments which the Minister of Justice will introduce respect this classification.

Bill C-80 includes compulsory provisions concerning the secure storage of weapons, but they refer to collectors of restricted weapons, not to those who apply for firearms acquisition certificates.

To conclude, Mr. Speaker, before I yield to another member eager to deal with this issue, I should like to tell the hon. member for Ottawa South that Canadians who own firearms are law abiding citizens and make sure that Canada is a safe place for all. Mr. Speaker, they will certainly support all reasonable and efficient methods to help make a selection among all applicants for firearms acquisition certificates, but they should not be expected to support unreasonable or unworkable measures.

Mr. Speaker, I suggest that the provisions of this bill are not justified, at least to my mind—I think I indicated earlier the reasons why I am against it, as the elected representative of an area which would be greatly affected if firearm acquisition was made more difficult. The situation would be unacceptable and, for this reason, I feel that the motion moved by the Hon. Member for Ottawa South is unreasonable because it helps very little in the development of efficient safety standards which would apply throughout the land and that the provisions would be difficult to enforce because it would increase the workload of the various police forces with very few real benefits.

In conclusion, Mr. Speaker, I find the motion of the Hon. Member for Ottawa South absolutely unacceptable and I consider it in a sense as a slap on the face of a great many Canadians who are responsible people and who do not deserve such coercive legislation as this.

[*English*]

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I too am pleased to join in this debate on firearms. It is a subject which I have spoken quite a bit about lately, not just in connection with this private member's bill, but Bill C-80 which is currently before the House.

As one of the members indicated earlier, one of the truisms on the subject of guns in Canada is that their ownership is a privilege. I think most people are aware that in the United States the ownership of firearms is a right, it is constitutionally enshrined. Not so in Canada. We have had a different history, a different development in this area. It is a privilege and as such, it is a privilege that governments for many, many years have taken an interest in and one that quite legitimately is the subject of debate in this House. I was somewhat surprised to hear the member for Glengarry—Prescott—Russell say that it was easier to buy a gun in Canada than it is to buy a case of beer. That is absolute nonsense.

I see the member for Timiskaming beside me nodding his head. It is quite obvious that the representative of the Liberal Party is not a gun owner because one of the things I discovered from talking with various groups during the lead-up to Bill C-80 is that there are all kinds of procedural and administrative wrangles and difficulties that an individual must go through.

One of the things that struck me that Bill C-80 could do would be to clear up up some of the administrative difficulties faced by legitimate hunters and sportsmen in Canada by having a discussion of this matter in Parliament.

I was shocked as well to hear the comments made by the members of the New Democratic Party. They said it has taken too long, the minister is gutless, how come it took a year to come up with this bill? Well you cannot have it both ways. If a bill is introduced into Parliament and there have been no consultations, the NDP jumps up and down, screams and yells, and says: "You should have consulted with people. How come you did not get together with the various interest groups and individuals across Canada before you presented this bill?"

So that is exactly what we did with Bill C-80. I know, because I was a part of the discussions. The former Minister of Justice, the present transport minister, during the course of the previous summer invited major national groups who have a particular interest in this subject to sit down to discuss their concerns. I was very pleased and privileged to sit in on those discussions so I can tell you what they had to say. Unlike the member for Glengarry—Prescott—Russell who thinks it is a simple job, a simple business, to own a gun, they had many legitimate complaints of an administrative type that I was pleased to see incorporated into Bill C-80.

When the present Minister of Justice assumed her responsibility she continued the process. She did not start over again because she and the members on this side wanted to present a bill to Parliament, but she continued the process. She heard from groups that had not been heard from by with the previous Minister of Justice.

Now there is a problem with that with the NDP. You heard them, Mr. Speaker. They said that it is a terrible thing to do, a terrible thing to be consulting with people before you bring legislation into this House. I could not disagree more with the members of the NDP on that.

I was pleased as well that we tabled this bill right before the House ended, because in my opinion it provided an opportunity for sportsmen, hunters, pistol clubs, and other interested individuals over the course of the summer when they would be getting together to have a look at this bill. I see the member for Parry Sound—Muskoka, and I can tell you, Mr. Speaker, that he is as vocal on this subject as he is on acid rain and on every issue in our caucus. He has spoken to me about this. And I see the member for Macleod who was good enough to invite me out to his riding several weeks ago to talk on this subject. What I said to them is that this bill is not written in stone.

I can tell you, Mr. Speaker, that I have sat on every legislative committee in the justice area since 1984. There has not been one bill that has gone through that has not been changed at the committee stage, or at the report stage, and Bill C-80 is not going to be the first one.

So I say to the members of the NDP and the members of the Liberal Party that if they want to see action on Bill C-80, if they want to see action on all the bills that are before this House, go down and talk to their good friends in the Senate. That is where the log jam is. The members of the New Democratic Party know that very well.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of private members' business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is a privilege for me to be able to raise again the question about the spill of radioactive waste at Wollaston Lake which occurred last November 7, 1989, almost a year ago.

• (1800)

One of the reasons I have to keep raising this question is that the story first broke on November 9, which was a very significant day in world history. It was the day the Berlin Wall came down, and of course the media cared about little else. Therefore this story never became as prominent as it otherwise would have.

What in fact happened was that two million litres of contaminated radioactive mine waste was spilled into Wollaston Lake. The spill that went unreported for 15 hours. It would likely never have become known to the public if the chief of the Hatchet Lake Band on Wollaston Lake had not flown over the area. Being a former miner himself, he recognized what was happening and phoned us. Certainly the environmental authorities had been notified by that time, but the community had not been notified. This whole series of events left the people of Wollaston Lake very much wondering what was happening to their environment.

I had an opportunity to visit the site shortly thereafter with the MLA for the area, Keith Goulet, and with officials from the town and from the band. What we saw there was really appalling. One would not run a farm dugout system or a farm sewer system—and that is what I know better as a farmer—in the same way as this very sensitive disposal system was being run. What really caught my attention was an automated warning system which was to back up visual inspection every hour, and 11 inspections were missed. That system had been disconnected since 1985, for about four years. The Atomic Energy Control Board had been inspecting this system that whole time and had never discovered the disconnection.

The chief issued a call for a public inquiry. He wanted to know what was the role of the regulators in the area. In other words, who regulates the regulators? Is the Atomic Energy Control Board doing a proper job of looking after things? Shortly after we saw headlines such as "Staff levels too low to prevent spills, AECB" on November 24. That is the kind of question that arose.

The chief also wanted to know what the role was of aboriginal people in resource development. These things are happening all around them on their traditional lands, affecting their environment in a permanent way. They have very little economic opportunity and no jobs. Right now there is no one from Wollaston working in Rabbit Lake 18 miles across the lake.

What is the role of the local community in the protection of its environment? After all, they have lived there for so long and will live there long after. They know an awful lot more about the natural environment than some well meaning researcher who comes there from time to time to take a sample.

There was a lot of support for this inquiry, all the way from the United Steelworkers of Canada to church groups, Greenpeace, health professional organizations and many others. Petitions are still coming in.

I asked my initial question on February 19 about how the inquiry was coming and received no real reply. Finally on September 6, the Minister of Energy, Mines and Resources replied to Chief Ed Benoanie of the Hatchet Lake Band. He essentially said not to worry, that there were a few fiddles and diddles that they would make to improve things, and then a good system would be perfect.

Perhaps I could just quote from the minister's letter. He said:

> Cameco acknowledged responsibility for the spill, pleading guilty to charges laid under the Atomic Energy Control Act and paying the maximum fine of $10,000.

A maximum fine of $10,000 is a pitiful joke. Everybody knows what a $10,000 fine for virtually unlimited degradation of the environment means to a huge industry like this one in this day and age. In fact it was for two charges at $5,000 each, twice that for smoking on Parliament Hill.

We are operating here under an act that was written in 1946. That act has not been looked at, and no one here is talking about revising that antiquated act.

The minister states further that a full investigation has been carried out, that all reports regarding the spill indicate no problem, and that extensive water samples have shown that the level of contaminants in the lake and the stream leading to the lake did not exceed limits specified in drinking water standards. The local community has some real questions about how those tests were done. They live there. They know what the ice and flow patterns are. This was done in tricky ice conditions. The people do not think it was done properly and would like to see it done again, and what would be involved in that kind of sampling.

• (1805)

Then it said:

> I know that Board members met with you in Ottawa to discuss the situation. The Board recognizes that there were weaknesses—

They are going to correct them. And then they said that:

> —the Board will be holding a meeting in your community to follow up on developments and to deal with other concerns.

Essentially all the board did was listen politely and announce that the mine was going to reopen with no discussion with the community at all. The community had no input into that decision that it felt had any kind of meaning whatsoever.

Then he said:

> In 1978 the Bayda Commission released the results of an in-depth report of the environmental, health, safety, social and economic effects of the Cluff Lake mine and cleared the way for expansion of the uranium industry in Saskatchewan.

If I could quote from Chief Benoanie's reply to the minister, he said:

> The Bayda Commission and the Key Lake Board of Inquiry did not even look at aboriginal rights, and they did not involve my people, nor deal with the already operating Rabbit Lake mine. The 300-plus page Bayda Commission report has only half a page dealing with aboriginal and treaty rights: in fact, it recommends that another inquiry deal with these issues.

Then the minister goes on to talk about an AECB inquiry. That, in fact, did not do an original research, but just pulled together a few existing facts and figures.

The minister then tries to make people feel better, and he says that if there is any future developments, and there are some being talked about, then we can have some EARP hearings.

I think the credibility of EARP hearings is well known to the people. I ask the parliamentary secretary to please reply to how these questions are going to be dealt with.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, since this issue was first raised in the House last February, a number of developments have occurred. I would like to review just a few of them, but I would like to table an update from more or less the first part of November 1989 through today's recent communique.

For the record, I would like to make a few points. In his letter of September 6, 1990, the minister outlined the facts surrounding the spill. He also stated that he saw no need for a public inquiry into uranium mining in northern Canada since there had already been several public inquiries on this matter, and there would be future opportunities for assessment of the new mining projects. For example, in 1978, the Bayda commission released the results of an in-depth report of the environmental, health, safety, social and economic effects of the Cluff Lake Mine.

The minister stated that the conclusions from past in-depth inquiries into uranium mining, combined with the upcoming opportunities for public input during the EARP process related to potential new uranium mining ventures, and the commitment of the AECB to open lines of communication suggest that, at this time, a further inquiry into uranium mining in northern Canada is not necessary.

On October 4, 1990, the Atomic Energy Control Board held its meeting in Wollaston Post. Three major concerns of the native population were raised: more hiring of natives by the company, implementation of a financial scheme for profit sharing with the native population, and an inquiry into uranium mining. The AECB replied that these topics were out of the scope of their mandate.

After hearing all interested parties, the board decided to renew the company's licence.

At this point, it would be imprudent to comment further on this issue since it is scheduled to be dealt with in the court in Saskatchewan on January 17, 1991.

Mr. Speaker, I would like to table these documents for the hon. member so that they are on the record.

[*Translation*]

ENVIRONMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, it gives me great pleasure to repeat the question I put to the minister of Environment and which was answered by another minister, the Secretary of State. I am not satisfied with the answer I received. That question had been asked during the fire in Saint-Amable. You will recall, Mr. Speaker, that many thousands of used tires burned at a depot located in Saint-Amable, which is about 15 kilometers away from my constituency of Chambly.

• (1810)

I do not like the answer the minister gave me. In fact, he said it was a provincial matter and that the problem was under consideration. He tried to reassure me by saying that during the fire everything was being done to co-operate with the provincial authorities.

I am glad the government was finally able to put out that fire. It seems to me, based on this incident that the government takes action after the fact. But often these situations are the result of a lack of leadership on the part of the federal government and also of jurisdictional disputes between the federal and provincial governments. So, while Canada expects some leadership from this Conservative government, all we see, day after day, is a government which can only act it seems after the fact. PIC/mv
1810-2

This is not what a government should be. A government should have the will to prevent this kind of problem. Saint-Amable, is only a symptome of the government who likes to play fireman instead of tackling the problem at the base. I must say, Mr. Speaker, that I felt like hell listening to the answer from the Minister. I was upset because I was expecting better than that. I can tell you how upset people in my riding were by mentioning some polls, whether people talk about governments not only the Federal government but also the Provincial government because each one arise to blame the other. The problem Mr. Speaker is easy to understand. People are upset by the lack of action, the same old excuses that we have been hearing for so long: this is not our jurisdiction, we are waiting for the conclusion of studies. We have had plenty of studies, consultations and talks on the environment. But this government has not taken any action to regain public confidence.

I can give an example to show you how serious this is. The Désourdy Company in my riding is a responsible, respectable company that wants to dig what it calls a garbage enhancement site but which I call a landfill site. This does not require any environmental impact study. It is neither a provincial nor a municipal responsibility and it seems, according to a ruling I disagree with, it is not a federal one either. But, once the ground water is contaminated, the federal, provincial and municipal governments will have no choice but to try to contain the damages because they were unable to prevent the problem.

• (1815)

Similarly, Mr. Speaker, I could talk to you about pesticides. Maybe you have pesticides on your lawn because you want to have a beautiful lawn, but pesticides that get into and contaminate our water are a serious problem. The federal government has had this issue under study. We don't have much control over the enforcement of federal regulations on the use of pesticides by consumers.

So, in summary, I would like to say that I refuse to accept the rationalization by this government that the Saint-Amable fire was because of a jurisdiction problem or because they did not make enough studies. The time for studies is over. The time has now come for action.

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the tire fires earlier this year in Hagersville, Ontario, and Saint-Amable, Quebec, showed that federal-provincial co-operation is necessary to clean up the problem of scrap tires in Canada. Those fires heightened public awareness about the need for co-operative action to ensure the safe outdoor storage of used tires and to address the overall issue of used tire management.

Program and policy development has been ongoing. Twenty-six million used tires are discarded each year in Canada. About 20 per cent of those 26 million tires are recuperated through second hand sales and recycling the rubber into floor mats. That leaves 20 million to 21 million used tires to be disposed of in other ways. Even before the Hagersville fire in February, Environment Canada was funding research projects into alternative uses for scrap tires.

Following the Hagersville fire, all environment ministers agreed at a meeting in Vancouver to set up a federal-provincial working group to review scrap tire storage management, disposal and processing. That working group, chaired by the Ontario minister, met over the summer and its final report will be considered by ministers at the November 28 and 29 meeting of the Canadian Council of Environment Ministers. The working group was also to look at interim guidelines for outdoor storage of tires. It should be noted that Quebec and Ontario have already taken action following the tire fires in their jurisdiction.

Reuse and recycling of these scrap tires is the long-term answer being sought by the federal and provincial governments. In the short term, Environment Canada is looking closely at cement kilns as a method for disposing of used tires.

The use of cement kilns was the subject of a special half day workshop at the recent Canadian Waste Management Conference in St. John's, Newfoundland. If all cement kilns were to utilize used tires for 20 per cent of their energy needs, their capacity would be sufficient to use all the incoming flow of tires. Information provided by the industry suggests that no increase in emissions is expected from the utilisation of used tires as an alternative fuel. This claim will be verified by conducting certified combustion testing.

As well, the associate committee on the National Fire Code, sponsored by the National Research Council, is developing guidelines for outdoor storage of used tires. The committee is reviewing existing international regulations applicable to outside storage of scrap tires to see what can be applied to Canada.

THE ENVIRONMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it is particularly relevant that the questions being raised tonight all deal with the issue of the environment.

I remember in 1988, just prior to the last election, the Prime Minister came into the Hamilton area and visited the Canada Centre for Inland Waters. He stated that his number one priority over the next number of years was going to be the environment. Since then we have had the debacle of the tire fires.

When the member says that 20 per cent of the tires are being recycled, in fact, there is technology available that could use all of those tires. They are currently being shipped to the United States, ground up to be used in combination with building materials for roads, and shipped back to Canada. Why, as Canadians, are we not taking advantage of the recycling of our tires and of new technology in building our road surfaces? Why are we leaving that to the Americans?

I asked to have leave under this particular section of the act because I was extremely dissatisfied with another environmental question that the government dealt with last spring. That question dealt with the issue of acid rain.

For a number of years the Prime Minister has been promising trans-border action on acid rain. We know that the U.S. Clean Air Act has passed and we are still waiting for action from this Prime Minister and this government on the issue of trans-border acid rain. Acid rain does not carry a passport. Even though we welcome the initiatives of the U.S. Clean Air Act, we are extremely concerned that unless there is a bilateral agreement negotiated between Canada and the United States to supplement that of the U.S. Clean Air Act and Canadian initiatives, we will continue to see Canada rained down upon by American acid rain.

• (1820)

If we examine the government's environmental record, even as we speak today, Mr. Speaker, I think Canadians from coast to coast were shocked to hear that the Minister of the Environment and the government have actually applied for a stay to their own injunction on the construction of the Rafferty—Alameda. The Minister of the Environment staked his reputation on the fact that he was going to talk tough to the Saskatchewan government on this particular issue and, as in so many other tests, he has caved in.

[*Translation*]

I think the decision by the department of the Environnemnt not to proceed with the injunction against the Rafferty–Alameda project is proof enough that the government has no environnmental policy. It all started with the former minister of the Environment, Lucien Bouchard, who was not prepared to take decisions about major environmental issues. Now that he has joined another political party, he does a complete about–turn. But it all started with a bad minister of the Environment, M. Bouchard, and it continues with another bad minister of the Environment, M. de Cotret.

It is incredible, after everything he said in this House last week, that is the real test of his leadership would be the Rafferty–Alameda project, that he should eventually decide to do nothing. And provided that he procrastinates long enough, he knows that the project will be completed.

Mr. Speaker, we know that, on environmental matters, Canadians are much ahead of the government. In the case of acid rain, for example, why did we not get the opportunity to sign a bilateral agreement with the Americans?

We know that in the Eastern townships, some sugarbushes are losing their trees to acid rain not from Canada, but from the United States. We also know that acid rain has no passport and that the only way to deal with this problem is to set here in Canada federal standards similar to the ones provided in the U.S. Clean Air Act. At the same time, we must absolutely get a bilateral agreement to set international standards on this important environmental issue. Otherwise, it would only be false rhetoric by Mr. Bouchard and his successor, the new minister, Mr. de Cotret.

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to have the opportunity to respond to the question raised by the hon. member for Hamilton East concerning acid rain control legislation in the United States.

The Government of Canada was very happy to see both the United States Senate and the House of Representatives pass a comprehensive package of amendments to the U.S. Clean Air Act this past weekend.

The legislation that has been passed by the Congress and the House of Representatives required a 10 million ton reduction of emissions and caps emissions at the reduced level. The legislation also contains comprehensive provisions and monitoring compliance with these requirements.

I would like to remind the members that Canada's legislative interests in the U.S. acid rain controls has always focused on the need to reduce the amount of acid rain pollution from U.S. sources that crosses our border each year. In this regard, Environment Canada has used its computer models to show that an American control program similar to the one adopted by the American Congress and the House of Representatives, which would meet Canada's environmental need to the trans–boundary flows reduced to no more than 2 million tonnes annually.

The trading provisions contained in the legislation should actually benefit Canada, since the lowest cost emission reductions can be obtained in the Ohio River Valley, which is the region that most heavily impacts on Canada. In addition, many of the power plants in the valley export their electricity to other regions. This means that the emission trading provisions could result in increased emission reductions in the valley because of the straight economics of trading into the valley and by virtue of governors attempting to pass pollution control costs to out of state customers.

Mr. Speaker, there is a lot more that I could say. The passage of this legislation should allow Canada and the U.S. to negotiate to conclude the bilateral agreement on trans–boundary air pollution by the end of this year.

The Acting Speaker (Mr. Paproski): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.24 p.m.

HOUSE OF COMMONS

Friday, November 2, 1990

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADA–U.S. AIR TRANSPORT SERVICES

ESTABLISHMENT OF SPECIAL COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, a few days ago the House passed a motion regarding the creation of a transport–related committee. There were some errors in that motion. It is necessary for me once again to ask the consent of the House for the motion to replace it. I believe that you will find consent for this motion. I move:

That, further to the Order adopted on Monday, October 29, 1990,

A Special Committee of the House of Commons on Canada–United States air transport services be appointed;

That the Committee have all the powers of a Standing Committee;

That the Committee have the power to travel and adjourn from place to place within Canada and to travel to Washington and that the necessary staff do accompany the Committee; and

That the Committee submit its report no later than January 15, 1991, provided that, if the House is not sitting, the report will be deemed submitted on the day such report is deposited with the Clerk of the House of Commons.

Madam Deputy Speaker: The House has heard the motion. Is there consent?

Mr. Milliken: Madam Speaker, we will give consent.

Mr. Edmonston: Madam Speaker, there is consent.

Madam Deputy Speaker: The hon. parliamentary secretary has the unanimous consent of the House to move the motion.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURE

Mr. Bob Speller (Haldimand—Norfolk) moved:

That this House urge that in the upcoming GATT negotiations and in over–all economic policies, the government recognize the essential role played by farmers in maintaining the Canadian way of life and urge the government to uphold the principles of supply management, to maintain the "safety nets" to provide a stable and fair return for all sectors involved in food production, to adopt policies encouraging sustainable development in farming practices, and to recognize the vital role played by agricultural communities to the over–all economy and the well–being of all Canadians.

Mr. Milliken: Madam Speaker, I rise on a point of order. There have been some discussions in this party about the length of speeches today. As you know, our speeches are normally 20 minutes, with a 10 minute question and comment period. I would ask that, insofar as the Official Opposition is concerned, we would have 10 minute speeches with a 5 minute question and comment period throughout the day, whenever one of our speakers is recognized.

Mr. Cooper: Madam Speaker, it is our tradition on this side of the House to allow the opposition parties to do that if they so wish. We would once again offer our consent for that today.

Madam Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Madam Deputy Speaker: If any other members wish to avail themselves of the same situation regarding the sharing of time, I would be grateful if they would mention it to the Speaker.

• (1010)

Mr. Speller: Madam Speaker, there is a serious crisis in our agricultural industry and rural Canada is suffering. At no time in recent history since the Depression have farmers been in such dire straits and Canadians want to know what the government is doing about it.

The production of food has always been a challenge, a challenge which farmers have continually met with adaptability and, I must say, much courage. Farm families have always had to deal with uncertainty, uncertainty caused by weather and by depressed markets.

Wheat farmers have just finished a harvest of bumper crops but with increasingly low prices we continually have reports of producers who will be forced off the land before this fall.

The government continues to talk about a new vision in agriculture in Canada. It is this new vision that has farmers concerned. What does the government mean by this new vision? One of the main corner-stones of this vision, as outlined in the government's *Growing Together* proposal, is centred around greater self-reliance in the agri-food industry.

Low prices are a result of a number of factors: continued U.S. and European export subsidies, the embargo against Iraq, the likelihood of a record world crop this year, and a stronger Canadian dollar. The farmer has no control over any of these.

In order to prevent financial disaster in rural Ontario and Canada, the federal government must step in now. An announcement of a special grains program to compensate for the effects of the embargo and/or an interim payment of at least $15 to $20 per tonne under the Agricultural Stabilization Act is essential. This government cannot continue to play this wait-and-see game. For too long now, farmers have been put off to face their bankers alone and to try to provide for their families with incomes far below the cost required to put food on the tables of our nation.

The government continually tries to assure farmers that greater self-reliance does not mean eliminating government support. Yet, what are farmers to expect when, in the last budget, the federal government cut down its share of the crop insurance cost-sharing program, terminated the at and east, terminated the branch line rehabilitation program, removed the interest-free provision on the prairie grains advanced payments, and eliminated the special dairy export? The budget for the Canadian Dairy Commission's skim milk powder marketing costs and CDC operating costs were abolished. The commodity-based program which provided subsidized loans to low-equity Farm Credit Corporation clients in financial difficulty was abolished. The rebate of the excise tax for on-farm fuel was abolished. This is the type of support that this government promises, the policy of abandonment. Or is this, Madam Speaker, the policy of self-reliance?

To make matters worse, farmers like other Canadians are reeling from the government's policies of high interest rates. Increased fuel prices add an additional financial burden to an industry floundering to keep its head above water.

The government fails to realize or even admit the serious financial stress being experienced by our grain, oilseeds, horticultural, and livestock producers. The situation is acute and, although a direct consequence of low prices and actions by foreign governments, the federal government must also bear its share of responsibility for the failure to present proper safety net support programs to correct for the resulting income deprivation experienced by our Canadian farmers.

Producers welcome the opportunity to provide remedies to the safety net committee's reports. However, the report and all the work and effort of the past months will only work and only be worth-while if these proposals are implemented beginning in the 1991-92 crop year and if the costs to producers are held to a maximum of one-third of the total premium cost, in order to assure a high participation rate by our farmers.

It is imperative the gross revenue insurance plan, GRIP, and the Net Income Stabilization Account, NISA, programs proposed by the grain and oilseeds safety net committee, give the same support benefits to on-farm-fed and grain crop silage as with commercially marketed grain. It is also critical that safety net support, whether in the form of GRIP or NISA, or both, be offered to horticultural producers, many of whom are ineligible for any type of stabilization or crop insurance programs at present.

Equally important is that the financial shortfalls experienced in 1989–90 and 1990–91 be addressed if many farmers are going to be around in order to participate in these safety net programs.

I must commend the Minister of Agriculture for backing down from his previous short-sighted decision to eliminate the interest-free cash advances. His recent decision to reinstate interest-free cash advances for the first $50,000 advance for grain, oilseed and horticultural growers for 1990–91 is long overdue. This decision will partially alleviate the cash flow needs this fall, but to impose the same ceiling on the amount of interest-free assistance for multi-farmer units, such as partnerships or family corporations, as they do for individual operations will unfairly penalize those farmers who have chosen to farm collectively.

I hope the Minister of Finance and the Minister of Agriculture are listening as this change of heart will only delay and not prevent the financial stresses associated with the low prices of 1990–91. These interest-free cash advances will not negate the need for another *ad hoc* program in 1990–91.

It is good to see that this government has admitted it was wrong. While they are still at it, perhaps the Minister of Finance will admit that he is wrong about the GST and withdraw it. Speaking of the GST, it is just one more cross that Canadian farmers have to bear.

Farmers can carry a heavier load. They are already bearing more than their share. This is what I mean by the government recognizing the essential role played by our farmers and the vital role played by agricultural communities to the over-all economy and the well-being of all Canadians. This government will try to say it has supported our agricultural industry, but actions speak louder than words. The previous examples clearly do not substantiate these claims.

What about their new vision for agriculture respecting our supply managed sector? Again, they claim to fully support supply management. Their *Growing Together* paper stated, and I quote: "The national supply-management system is a uniquely Canadian system designed to strengthen farmer bargaining power and stabilize prices. It has been highly successful at reducing producer risk, increasing stability and providing market security". I agree. Is that not what we are trying to accomplish in all other sectors?

In the GATT negotiations it appears that all the programs are on the table. We have a trade minister who tells the Minister of Agriculture that he should be ashamed of the amount of money we spend to assist farmers. How can we expect negotiators to stand up for Canadian farmers when the minister they report to thinks farmers are getting too much money? With a trade minister like that on our side at the bargaining table, who needs opponents? It is no wonder we got such a bad deal with the free trade agreement.

To add insult to injury, we have a Minister of Agriculture who gave misleading agricultural subsidy figures to GATT. When supply management was first implemented under GATT, it was understood that subsidies were something that came out of the tax base, but now the U.S. in particular is trying to argue that if consumers pay more than the world price, that is a subsidy. That is economic nonsense and this government seems to be falling for it.

The minister knows that it is inaccurate and unfair to see the price differential between Canadian and world milk prices as a subsidy for dairy farmers. Such a calculation is irrelevant and unfair because the world prices reflect dumping by countries of their subsidized surplus production. The fact is that world prices are far below the actual production costs for most dairy producing countries.

Our supply management system was implemented within the international law under Article XI of GATT. We have every right to keep our system as is, but instead of defending our rights to maintain our supply management, they have undermined our own negotiating position. Our system produces a high quality production for our market at a fair and reasonable price to the consumer and provides a fair return to the producer as well. Perhaps equally important is Canada is now nearly self-sufficient in dairy products.

There is so much more I could say about the desperate needs of our agricultural sector, but my time is short. The most important industry in Canada is food production. Farmers are only asking for what other Canadians want; the right to earn a good living and support their families.

• (1020)

By hard work and struggling, we have built an agricultural industry that is envied the world over. We must not allow it to be destroyed by short sighted policies and short sighted politicians.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I thank my colleague for beginning this debate today on a sector of our economy that is vital.

The question that I would like to address to my colleague has to do with the youth who seem to be leaving farms right across the country. In our area in southern Ontario, the attractiveness of large industry is pulling experienced youth away from the farm.

Mothers and fathers who are just about at that age when they would like to take life a little easier are finding that they cannot take it easier because the resources are not there to help continue the life on the farm to help it become productive.

He, being a young farmer, knows well of these problems. I would like to ask him, and I would like to ask other members throughout the day as well, what things we in the national government Chamber could be doing to try to bring some excitement, purpose and vocation back to agriculture and farming in this country.

How do we bring youth back to agriculture in this country?

Mr. Speller: Mr. Speaker, I thank my colleague for such understanding of agriculture. Many may not know, but my colleague is a farmer. He shows a lot of interest in that area.

That is one of the biggest problems we have in Canadian agricultural communities today: the problem of youth and why youth will continue to farm in the conditions that their parents and their forefathers have farmed before.

My colleague is right when he says that it is difficult for young farmers to get into farming, or to stay in farming. My colleagues across the way know that, without the policies and the programs that governments provide because of the world situation in farming, many young people would not be eligible to farm.

There are a number of new ideas and new thoughts out there. I will give credit where credit is due. A lot of new ideas have come out with this *Growing Together* paper. A lot of people have got together.

All over the province of Ontario, too, different farm groups have got together to try to come up with new ideas to keep our youth in farming. We in the Liberal Party have formed a group to sit down to talk with farmers to develop these new ideas in new ways that will keep our youth in farming. Obviously, a lot of them have to do with providing the safety nets that are there in order to keep farmers on the land.

A lot of the problems with our youth in farming have to do with the fact that they cannot get proper funding. They deal with the same problems that all Canadians deal with: big businessmen and small businessmen in Canada, in trying to get access to proper funding to farm.

There have to be better ways for governments to signal to our young people that they will have stable supplies of money when they need it for many years down the line.

Unfortunately now, with the rises of interest rates and the volatility of our economic markets, those sorts of programs are not available. Those sorts of assurances to our young farmers are not available, so many of them are not getting into farming because, quite frankly, they do not have the security of moneys.

I thank my colleague for his question. I could go on an on, but I want to hear a question from the other side.

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, I appreciate being allowed a few minutes to consider this opposition motion and emphasize to the government, particularly at this critical time in the GATT negotiations, the need for the government to pursue with a good degree of vigour the fact that there are to be no new deals struck among the 96 or so countries that will be concluding the round of talks in Brussels in a few weeks. No new deals can be struck which will dismantle Canada's supply management programs.

Canadians face many tensions at this time in our history. We all find these very challenging. Sometimes we ask ourselves if anything at all is working any more. Well, I can tell you, Madam Speaker, some things still work and they work well. One of those things that is working well and has worked well for many years is

Canada's supply managed programs which work in the milk industry for milk, milk products, and works in the egg industry for eggs, egg products and poultry.

The result is that since 1970, approximately 20 years now, Canadians have enjoyed a good supply of high quality basic food products at a price that they can afford. No one is being exploited, neither the producer nor the consumer. The system has operated for 20 years with maximum efficiency and maximum effectiveness. It behoves the government of the day on behalf of all to see that no deals are struck at GATT which will see us turning back the clock on the basis on which these primary foods are produced and marketed in this country.

Let us look back and see what advances have been made in the dairy industry for example. We will soon realize the importance of having success in the present managed supply system. I know what used to happen in the dairy industry. The great fluctuations in prices brought people into the industry for short periods of time if prices were favourable, only to see them retreat out of the industry very quickly when prices fell below production costs.

No businessman in any other industry in this country could or would stay in business for very long if he could not count on a projected minimum price for his product, a price that had some relation to the cost of manufacturing the product. He would also want to be sure that there was going to be an ongoing need for his product.

The managed supply system was designed specifically to fill both those needs. A price which was based on production costs and a mechanism to ensure that the product would be needed. Canadians believe it is important for this country to be self-sufficient, particularly in dairy products.

A national survey conducted by Goldfarb Consultants, a reputable firm, in May of this year came up with some very interesting statistics as to the appreciation which Canadians have for dairy farmers and the way they operate.

Mr. Bosley: It helps if you own the firm, doesn't it?

Mr. Jordan: If you are basically honest, it doesn't really matter who owns it.

Two or three interesting statistics came out of that in summary, I suppose, of all the data that was collected. Seventy per cent of Canadians say that all milk products should be produced in Canada. Thirty-four per cent of Canadians said that they can come from other countries, but they want fresh milk. Some 85 per cent of Canadians thought that the dairy industry in Canada was in excellent shape and that dairy farmers were very efficient. Another interesting statistic is that 76 per cent of Canadians said that they would be willing to pay more for Canadian dairy products to support the Canadian dairy industry.

• (1030)

In summary of this report, the overwhelming majority of Canadians, 94 per cent, believe that it is important for the dairy industry in Canada to remain self-sufficient, without any outside interference from other countries.

Canadians can be supportive of the present marketing systems because they know that for 20 years they have had at their disposal a good supply of excellent products at a bargain price. Only 14 per cent to 17 per cent of disposable income of Canadians is spent on food. It is the lowest in the world when we consider the quality of our food and the fact that we live under some fairly harsh weather conditions which often affect the cost of production.

The target price for industrial milk, which is set by the Canadian Dairy Commission, has increased by only 4.7 per cent over the past four years from July 1986 to July 1990. The Consumer Price Index over the same period increased 19.3 per cent. This is possible because Canadian farmers are among the most efficient in the world and Canadian consumers are benefiting from that efficiency.

A Canadian family of four buys on the average two dozen eggs per week. At $1.50 a dozen, it will cost that family $156 a year for a highly nutritious food in which there is no waste. Eggs come for the most part in their own package and leave very little environmental burden on the community. How can we be so fortunate? It is because Canadian farmers are among the most efficient in the world, and they have become that way under managed marketing systems.

That is why the Canadian negotiators at GATT have to be tough minded when it comes to any tendency to barter away our production and marketing systems which

are working so well for the benefit of all Canadians, both producers and consumers.

Marketing boards have brought order and stability into one of Canada's most basic industries. Canadians who have benefited from these programs are urging the federal government to state unequivocally its commitment to the Canadian supply managed systems. A failure to do so would seriously compromise the trust placed by our farmers into the hands of those speaking on their behalf at the GATT negotiations. Canadians, both producers and consumers, will pay the price if we allow our managed marketing systems to be up for grabs.

I think my time is up by both clocks. I would be delighted to try and answer any questions.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I thank my colleague for his brilliant speech and his understanding of the Canadian farming situation.

Having a number of dairy farmers in his riding, he too has probably seen the number of editorials that have appeared in Canadian newspapers across Canada attacking our system of supply management, really attacking dairy farmers and calling them leeches on the system. I am wondering if the member would take this opportunity to give a short explanation to all Canadians of why our supply managed systems are so good and really tell Canadians that in fact they are not paying too much for their supply managed products.

Mr. Jordan: Madam Speaker, I appreciate the question from my colleague.

Another of my colleagues asked what the young farmer is looking for today. Any youth starting into the dairy industry today is looking for some stability, some future. You cannot have stability if you are living in a fluctuated market. My experience was that when the price of milk was high people jumped in, and then got out of the industry. How could he, for example, plan and buy a tractor which he needs in his industry and finance it over a period of years, as most of them have to do today and as we have all had to do? How could he possibly have that kind of faith when he can see absolutely no future stability in the industry?

Those who would criticize the Milk Marketing Board really do not understand how it works. The only time there is an increase from the man who has his $300,000, $400,000 or $500,000 investment is when there is an increase in his costs. If he wants to make a little more money just so he will not stifle initiative, he can make more money if he becomes more efficient. That is why it is reflected in those few statistics I gave. The initiative is there to become very efficient. I think this would induce young people into the industry. There is some incentive, stability, and some reason for them to become efficient. They like the challenge, and I think they will come into the industry on that basis.

If we throw it to the wolves as it used to be when the price was up and down and depend on another country, can we imagine a country like Canada depending on a neighbour, even with the best of intentions, to supply some of our basic foods? What a disgrace that would be.

I am using the Milk Marketing Board as an example. I think we have the largest egg producer in North America in my riding. The same applies to the egg industry also. There is a good supply. The quality is excellent and the price is right.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, it gives me great pleasure to rise and speak to this motion before the House today.

The member for Haldimand—Norfolk is asking this House, through the GATT negotiations and in over-all economic policies, to recognize the vital and valuable role farmers play in maintaining the Canadian way of life.

I would suggest that this government's record stands as proof that the well-being of Canadian farmers has been a priority in the past and will continue to be a priority in the future.

Between 1984 and 1989, direct and indirect federal expenditures in agriculture totalled almost $22 billion. Again, in 1990, we have undertaken various initiatives, including $500 million in direct cash payments to help with the cash flow assistance. Also, we are providing an interest relief program of up to $95 million for this current crop year for grains and oilseeds producers.

That kind of support for farmers is unprecedented in Canadian history. That kind of support clearly shows our commitment to farmers and our recognition of the importance of maintaining that Canadian way of life we speak of. Our commitment goes beyond dollars and cents. While we have willingly used the federal Treasury to offset farm income problems, we have also undertak-

en two major initiatives to ensure the long-term well-being of the Canadian agricultural sector.

Domestically we are in the midst of a major agrifood policy review. It has brought all the partners in the agrifood sector together to define policy options that will ensure this $50 billion industry can keep pace in this rapidly changing world.

Through that policy review, we are looking at ways to ensure the industry is market responsive, self-reliant, regionally sensitive, and environmentally sustainable. Those four pillars, as they are known, are the foundation of a healthy and durable agrifood industry.

• (1040)

As part of the review, a government/industry task force has designed a new safety net system that will give farmers predictability and stability over the long term. This will help to address some of the concerns that the previous speakers have been raising in their speeches. Such a system will allow us to get away from the *ad hoc* kind of assistance we have had to provide in recent years, *ad hoc* assistance that has treated the symptoms and not the problem. It is difficult to farm in that type of environment when one cannot predict into the long term. We believe that the safety nets that are being put forward will assist in giving it that stability that is required.

It is hoped that these new safety nets will be in place for the grains and oilseeds sector for the next crop year. If there is a willingness of all members of this House of Commons to put that system into place for the 1991 crop year, I believe we can get that work done and I believe we have an obligation to do that.

It is also hoped that the next crop year will find us well on our way to a fair and equitable world trade environment. It is most important as well that we deal with that world trade environment. To that end, Canada has played a major role in having agriculture included in the Uruguay round of the General Agreement on Tariffs and Trade.

This initiative at the international level is also crucial to the long-term well-being of our agrifood sector. We need a new world trading order in agriculture if we are to get away from the foolish subsidy battles that have hurt our grains and oilseeds sector so badly. We need a new world trading order that will allow our supply management sectors to operate under clearly defined rules. We need a new world trading order if our rural communities are to grow and to prosper.

The Uruguay round is scheduled to end in December, and Canada has firmly stated its goals in these negotiations. In particular, we are seeking the elimination of export subsidies, a substantial reduction in internal subsidies, improved market access, greater security for supply management through a clarified and strengthened Article XI, and development of rules on health and sanitary measures so they are not misused as disguised barriers to trade, which is so often the case today.

Our offer which we tabled in Geneva on October 15 was developed in close consultation with the agrifood industry and the provincial governments. In fact industry leaders have widely praised our offer.

Jim Caldwell of the Canadian Cattlemen's Association had this to say about it:

> It is a well-balanced package. If other countries would agree, it would be a good start.

Albert Chambers of the Canadian Chicken Marketing Agency said:

> It's what we expected. Poultry and egg producers would have little or nothing to complain about.

We believe that we have developed a balanced position in these negotiations: an approach that reflects the fact our agrifood industry is both domestically oriented and also export oriented. If we can bring about an end to the destructive use of export subsidies, Canadian farmers will be able to compete fairly against other farmers and not the treasuries of other governments. If we can get Article XI strengthened and clarified, our farmers can operate supply management programs secure in the knowledge that they are complying with internationally accepted rules.

Clearly a successful agreement on agriculture in the Uruguay round must be of benefit to all Canadian agriculture. We cannot pick and choose. It has to be of benefit to all of the agricultural sector.

As the December deadline for the Uruguay round approaches, we plan to continue our close consultation with the industry. We want what is best for the industry,

and that means a world trade environment that is fair and equitable.

We are disappointed that the Europeans have yet to table their offer. We are extremely disappointed that both the Europeans and the Americans have upped their use of export subsidies. Hopefully both are only flexing their muscles as we head toward the crucial stage of the negotiations.

Canada is committed to seeing this trade war brought to an end. We can only hope that other trading nations share in that commitment.

A successful end to the Uruguay round will help to ensure a bright future for our agrifood sector. This in turn will ensure a bright future for our over-all economy. After all, we cannot forget that our agrifood sector is responsible for about 10 per cent of our gross domestic product and employs more than 14 per cent of Canadians.

This government recognizes the importance of this industry. That is why we are doing our best to ensure the Uruguay round is successful. That is why we are in the midst of a major domestic agrifood policy review. We want to ensure this industry has a stable and predictable future. We want to ensure this industry can grow and prosper, because as this industry grows and prospers, so does Canada.

I hope, with the various speeches from the different parties that will be given in this House, we can come up with some very positive, workable solutions because we know how important the agrifood sector is to this great nation of Canada. It has developed this country in the early production of food.

We have the ability to produce much beyond our domestic requirements and we know that much of the world requires food. We also know that many countries of the world which require that food have an inability to pay. We have to work out some solutions in order to keep a strong viable agriculture sector, while keeping in mind that there are others in this world who are not as fortunate as we are.

I hope when members are turning their thoughts toward agriculture in this country that they keep that in mind. By working together, as we did with our *Growing Together* task force paper, we will bring together not only the politicians but governments at all levels. It will affect trade in all sectors, right to the grassroots. People were talking about the well-being of the agrifood sector and their representatives resulting in wonderful co-operation and excellent consultations. We believe that we are developing, not only at GATT, but in this country, a better understanding among all the players. By doing that, everyone will prosper because if agriculture prospers in this country, all of us will prosper.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to salute the member for Huron—Bruce. Many of us realize that he is a farmer and he has accomplished a lot in this sector over the years.

I would like to come back to the question that I asked my colleague. He knows that we are at the crossroads right now in this very important sector. He has spent many years and has enjoyed and inspired many others to get involved in this sector. What does he think we should be doing to create the excitement and interest for young people to work and live on farms and for those who have money to invest in farms?

Five or six years ago in this House, if one asked someone if they would be interested in going into environmental studies, 9 out of 10 of our youth would run the other way. They did not recognize the importance of the environment.

Today we have a sector, agriculture, that is going to be feeding the world over the next 10 to 15 years. For some unknown reason we cannot seem to get our youth turned on and interested in making the commitment to the vocation of farming. I stress vocation because it really is not like an office tower job on Bay Street or St. Catherines Street where one works nine to five. It is a full and total commitment.

What I would like to hear from this member, who has owned and operated a farm successfully most of his life, are his thoughts as to what we should be doing to bring youth back to farming?

Mr. Cardiff: Madam Speaker, I thank the hon. member for his question. It does give us the option to address a particular issue which concerns all of us. It is not a new concern. This is something that has happened over a number of years. All of us in this House who represent rural ridings ask many times how a young person can enter into the farm sector.

There is a new generation of farmers approaching. There is also a generation that is already there. That does not mean there are still not difficult challenges that they must face. These have been difficult and we must

recognize that. Farm incomes have been low and expenses have been high. Many of these people have trimmed their costs to the bare bones as much as possible. Very often they have not had adequate support from their operations to give them the type of living that some other people in the country have and enjoy. We have to start with the problem, and the problem is that there has not been the stability that is required in agriculture. We know *ad hoc* programs will get one through for today and for a short period but not in the long term. We believe with the *Growing Together* paper and the work that is evolving from that paper, particularly that which will address the farm finance sector, that we need long-term, predictable programs, such as the safety nets that would be of assistance in making that commitment to the future of agriculture.

• (1050)

I do believe there are many young people in this country who would love to enter into the vocation of farming either on the family farm or young people who are new entrants. We know that at agricultural colleges the enrolment is maintained, and that there is an interest in the agrifood business and so we believe the will is still there. With the safety nets, before one plants a crop one can predict what one's income will be for that year. That makes the borrower feel comfortable and it also makes the lender feel more comfortable. Perhaps a preferred rate could be established if everybody feels comfortable in this situation. That is one of the first steps toward some of the stability that is really needed.

We also have been unable to predict the grains and oilseeds sector because of the lack of a world agreement. I am sure everyone has witnessed what has happened over the last number of years. In 1989, the grain producing nations of the world transferred something like $245 billion U.S. to the farm sector. It is embarrassing when we think of what that is doing; and still, a third of the people in this world are going to bed hungry every night. That is something we have to address as well.

To come back to the hon. member's question, I believe that more young people will go into agriculture if we put the right policies in place. We have a task force on farm financing which is addressing new entrants to agriculture, not only youth but new entrants, which I believe is important. If we can come out with the proper programs, that will help.

There has always been a problem, for as long as I have farmed and that is all my life, of intergenerational transfer of land from one generation to the next. So if we can address that issue, without having to refinance the farm every generation, that would help us greatly as well. But the most important thing is that income should be predictable and be at a level that gives an opportunity for a reasonable living. This would be the most encouraging thing we could have happen for our young people.

[*Translation*]

Hon. Jean Lapierre (Shefford): Madam Speaker, I welcome this opportunity to contribute a few comments to this debate on agriculture. Like you, Madam Speaker, I am very concerned about what is happening at the current GATT talks.

We will have to wait until the end of these talks to find out what the impact of agreements will be on Quebec producers, for instance, who share the same type of prosperous farming area, and we hope that will remain so.

For the benefit of hon. members, I want to say that thousands of farmers have written to us to express their concerns. I think it is absolutely vital, especially during this debate, to ensure that hon. members are aware of the legitimate demands of Quebec producers, demands that are summed up in three short paragraphs, Madam Speaker. First, it is clear that properly maintained and operated supply management systems, particularly as they apply to dairy, poultry and egg producers, are essential if we are to maintain balanced production and a measure of security for our farmers.

Of course, we cannot have a management system if we cannot control imports, and obviously, if import controls are replaced by a customs tariff, this would lead to a gradual dismantling of our supply management system.

Finally, Quebec producers are anxious to see their price and income stabilization programs maintained in their present form. As you know, Quebec has a program that is probably the most generous and best adapted to the present situation in agriculture, which means that maintaining crop insurance and farm credit programs must be one of the priorities at the current GATT talks. As we see it, these programs do not cause any distortion in production and marketing.

While the talks are taking place in Geneva, many farmers are very worried. They have substantial investments that are on the line, and the banks are getting nervous. I therefore hope the government will never consider signing an agreement that does not respect existing rights.

I am sure the parliamentary secretary, who is very well informed on this issue, is prepared to give us the assurance that the vested rights of Canadian farmers will not be tampered with.

[*English*]

Mr. Cardiff: Madam Speaker, I thank the hon. member for giving me the opportunity to once again state our position and support for Article XI which is the basis of our supply management sector, whether it is dairy or poultry.

We tabled our position after consulting fully with both of those industries. We have not wavered in any way from the position that was developed by those two sectors and we will maintain our position. We have no intention of moving from that position.

We have met constantly with the dairy producers and the poultry sector and their support has been very valuable to us in developing the position and maintaining it. It is very clear to the government that that is what we would like to have.

Madam Speaker, I wonder if it would be permissible if I could go back to the hon. member who was talking about young farmers.

Madam Deputy Speaker: I will have to interrupt the hon. member. The period for questions and comments has now expired. However, I would be quite prepared, if it is the pleasure of the House, to allow the parliamentary secretary to answer the questions.

Some hon. members: Agreed.

Mr. Cardiff: I thank you, Madam Speaker, and the House for that co–operation. I just want to say that the age distribution of farmers has been fairly constant since 1931. The proportion of farmers who were under 35 was actually higher in 1986 than in any census year between 1961 and 1976.

Also between 1981 and 1986, just over 28,000 individuals under the age of 35 started new farm businesses. I just thought the House would be interested in those statistics.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I thank the parliamentary secretary for his comments. He knows, as I said, that I believe the papers are going in the right direction and we need more consultations with farmers. Quite frankly, farmers are asking whether or not the money is going to be there to back up all the promises that are coming out of these consultations.

The member is quite aware of what his colleague, the Minister for International Trade said in this House on October 15, as reported at page 14143 of *Hansard*:

> The Minister of Agriculture should be ashamed at the amount of assistance he is giving Canadian farmers.

I want to give the parliamentary secretary an opportunity to stand in this House today and to refute those statements, and to tell all Canadian farmers that in fact once all the consultations are finished, once all the programs are there and made available, that the money will be there to provide for these programs.

Mr. Cardiff: Madam Speaker, I would just like to state again that this government has been committed to agriculture ever since we took over the governing of this country in 1984. The programs we brought forward and the assistance we have given has been consistent and has always been there when the need was there. That will continue to be there as well.

Regardless of what the future holds, we believe that if we have proper negotiations, it will not require as many tax dollars to assist if we can bring some common sense to the world marketplace.

But I do say, and I will say again, that we will be there to support our agriculture sectors as we have in the past.

[*Translation*]

Madam Deputy Speaker: It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Charles A. Langlois (Manicouagan): Yesterday, Madam Speaker, the minister responsible for regional development, the hon. Benoît Bouchard, was in Bonaventure in the riding of my colleague Darryl Gray where he announced the federal government's participation in the Atlantic salmon enhancement program in Quebec.

Under this joint federal-provincial agreement the Government of Canada contributes $12 million towards a program to restock Atlantic salmon rivers and develop sports fishing.

Madam Speaker, allow me to welcome this federal government initiative and pay tribute to the Quebec Federation of Atlantic Salmon. For a number of years now it has been playing a leading role in the preparation of this program, and it will continue to ensure that it is properly implemented.

* * *

[*English*]

WINNIPEG TAXATION CENTRE

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, Canadians will know that the government since 1984 has increased taxation 32 times. If the goods and services tax were to be implemented, it would be number 33.

The government has shown an immense creativity in raising taxes, but there is a type of tax that we are not talking a great deal about and that is fee for service or charge-back for certain services. For example, there is a new twist now, charging employees for certain particular services.

Here is one example. There is a new parking policy which now requires employees to pay, and pay a lot, at the Winnipeg Taxation Centre. The parking facility there is really quite inadequate. There are not enough parking plugs and they have been requested over a year ago. Of course there are severe winter conditions there and if anyone doubts that I would invite them to come and pay a visit. These plugs were requested last year. To date nothing has been done. There are not enough spaces for employees. The centre is not centrally located, there is poor bus service, and no viable alternative for parking.

Apparently this is taking place in a number of cities across Canada and in a number of areas of government, not only at the Winnipeg Taxation Centre.

[*Translation*]

When will the government stop overtaxing Canadians? And when will it treat employees with fairness?

* * *

NATIONAL UNITY

Mr. Denis Pronovost (Saint-Maurice): Madam Speaker, the residents of the riding of Saint-Maurice enthusiastically welcome the Prime Minister's announcement concerning the future of our country, and they intend to participate actively in this great national debate. We will remind our friends in English Canada that Quebec is a distinct society, a fact that will have to be recognized once and for all.

Unlike members of the Bloc québécois, most Quebec members will answer the Prime Minister's call. Our friends in the Bloc québécois should also make a positive contribution to this endeavour, if only because the interest of Quebecers—as long as they remain Canadians—is that the systems works.

My message to the member for Shefford and the member for Richelieu is that the role of members in the Canadian Parliament is to seek formulas likely to improve the country, not to plan sterile strategies to destroy it.

* * *

[*English*]

DALY BUILDING, OTTAWA

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, according to a report published in *The Ottawa Citizen* this week, the National Capital Commission seems ready to make some recommendations concerning the Daly Building.

In the past years the project has inspired heated debate on its heritage value and the viability of preserving it without major modifications despite its unsafe structure. Anyone walking by the south side of the building along Rideau Street can see that this eyesore's

zero set-back makes any work being done around it dangerous and inconvenient.

There can be nothing gained in keeping the south side of the building intact. I call upon the NCC to heed the advice of experts presently involved in the project, to remove the dangerously substandard stones, to move the building much further away from the street, and to produce a replica of the original Chicago-style building constructed in 1905. All of this will thereby properly enhance the streetscape at the bottleneck of Confederation Square.

* * *

ETHANOL

Mr. Walter Van De Walle (St. Albert): Madam Speaker, as grain stocks in western Canada mount and world fuel prices rise due to the situation in the Middle East, it seems timely to consider the economic viability of increasing the production of ethanol, a gas extender produced by the fermentation of biomass feedstocks such as low quality grains.

Contained in the report of the Standing Committee of the Environment of October of this year is a recommendation which states: "Canadian energy policy-making must have as its most immediate focus the more efficient and conserving use of energy."

Ethanol blended fuels offer a wide range of advantages to the motor fuel producer, the marketer, the consumer, and the public at large. Ethanol is capable of dramatically reducing dependence on foreign oil and boosting our farm economy.

I urge fuel producers and the government to give serious consideration to the increasing of our production—

[*Translation*]

Madam Deputy Speaker: I regret, but the time of the hon. member has expired.

* * *

LABOUR RELATIONS

Mr. Phillip Edmonston (Chambly): Madam Speaker, considering the way it handled the Hibernia project and its opposition to the principle of anti-scab legislation proposed by a former Tory, the hon. member for Richelieu, this government has abandoned Quebec and Canadian workers. The irony and hypocrisy of it all! Francophone Tory members who don't even have the balls to defend the real interests of Quebecers!

I went to the Lévis—Lauzon shipyards and I heard and echoed the alarm sounded by Robert Monette, president of the union local at MIL Davie. The government had clearly missed the boat on the Hibernia project, and then we saw Tory masks drop a few days after Halloween, when they objected to the principle of anti-scab legislation. Today, we see the true face of these Tories, Madam Speaker, a face that is anti-union, anti-worker and anti-Quebec.

* * *

REGIONAL DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, today, the media reported that Quebec Minister Gil Rémillard was not satisfied with the federal government's contribution to regional development in Quebec.

The progress report for the 1988 Canada-Quebec agreement on regional economic development, dated September 30, 1990, contains the following information: In the resource regions, the federal government introduced programs with a total of $214.99 million, 75.9 per cent of the $283 million provided for these regions. Of that amount, 23.6 per cent or $66.91 million has already been committed, while the province has invested only $98.66 million, 48.6 per cent of a total of $203 million. Madam Speaker, only 2.6 per cent of this amount or $5.6 million has been committed.

In the central regions, the federal government has already committed $43.75 million, as opposed to the province's $3.52 millions.

Madam Speaker, Minister Rémillard's eloquence does not extend to figures, so I think he should learn quickly to give credit where credit is due, for the benefit of Quebecers.

* * *

[*English*]

CANADA POST CORPORATION

Ms. Catherine Callbeck (Malpeque): Madam Speaker, for the last two years, Prince Edward Island has suffered at the hands of Canada Post. We have seen closures of

rural post offices, reduction in services, and most recently the cancellation of Saturday rural mail delivery.

It has reached the point that a two-tiered system is developing in types of services provided by the corporation. My constituents who live in rural route areas have discovered that not only are they deprived of Saturday rural delivery, but they cannot even pick up their mail from the post office on Saturdays.

Islanders deserve better treatment from Canada Post and the opportunity to voice their dissatisfaction with recent actions taken by the corporation. I urge the minister responsible for Canada Post to respond to my previous request that a committee be struck to examine the recent cuts and discrepancies in the corporation's activities in Prince Edward Island.

* * *

[*Translation*]

LITERACY

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, we must continue our efforts to heighten public awareness and renew our joint commitment to improving the reading and writing skills of Canadian men and women.

According to a recent survey of literacy levels in Canada by Statistics Canada, 38 per cent of Canadian adults lack basic routine reading and mathematical skills.

International Literacy Year has provided opportunities for action, and people have become more aware of the problem. A special effort has been made to raise the literacy levels of Canadian men and women. However, we must not stop there. For 4.5 million Canadians, reading and writing is a daily recurring problem.

Madam Speaker, we cannot let all this human potential go to waste because of lack of skills. Our own development is at stake, both as individuals and as a nation.

* * *

[*English*]

THE FRASER RIVER

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, the Fraser River is over 1,200 kilometres long and drains over 230,000 square kilometres of British Columbia. It is a vital part of the provincial ecosystem.

The lower Fraser is fortunate to have the Fraser River estuary management program to monitor the environmental health of the river as it empties into the lower mainland estuary. No such agency exists to provide a clear and effective plan to safeguard the future of the upper Fraser.

• (1110)

The upper Fraser requires a plan and a process to permit a better balance of economic and environmental considerations, as well as a framework for effective research and monitoring programs. We need to develop an integrated strategy to clean up the entire Fraser River and address critical issues such as water quality and the impact on the upper Fraser of industrial, forestry, and agricultural practices.

An upper Fraser management program could and should provide all agencies and non-governmental organizations interested in the Fraser River, an opportunity for input.

If the government is truly interested in—

Madam Deputy Speaker: The hon. member's time has now expired. The hon. member for Portage—Interlake.

* * *

CHILDREN

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, I rise today to speak about a subject that is of importance to all Canadians.

Our children—the children of Canada and, indeed, the children of the earth—need our protection, our support, and our love.

I congratulate our Prime Minister for his efforts at the historic World Summit on Children at the United Nations. This hallmark event has raised children's rights to new heights and expectations.

I would like to thank the many persons in my constituency of Portage—Interlake who continue to drop off at my constituency office donations of children's necessities and cash to be donated to the many orphanages in the country of Romania. Their generosity will help these children and will not be forgotten.

Finally, I wish to welcome to this world one new Canadian, Cali Beryl Blank, the bouncing new daughter of Sheldon and Irene Blank of Winnipeg. May she grow up to know a better world for children than exists today.

* * *

NORDION INC.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, yesterday the Minister of State for Privatization announced that he was seeking bids for the purchase of the shares of Nordion Inc., a subsidiary of Canada Development Investment Corporation.

The government is in danger of developing a bad habit for cutting bad backroom deals. The sale of Route Canada by CN was just one example of this. In this time of economic uncertainty, concrete steps must be taken to protect taxpayers and employees from unscrupulous purchasers dedicated to an asset strip of Nordion.

I urge the minister responsible to make public his ministry's current market appraisal of Nordion, as well as all bids submitted and not withdrawn, the agreement of purchase and sale, and the remuneration agreement with Wood Gundy, which is the bid manager, so that Canadians are not kept in the dark as this Crown corporation goes on the chopping block.

* * *

PARRSBORO FOSSIL MUSEUM

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, I want to assure the House and the people interested in the Parrsboro Fossil Museum that the federal commitment to fund the museum is in place and confirmed. As well, I am pleased to report that Hon. Ron Giffin, Minister of Education for the Province of Nova Scotia, has confirmed the commitment of the province. Further, the private investor has committed to go ahead with the project as soon as possible.

Funding for the museum resulted from a unique agreement by several departments and levels of government and was only made possible by the participation of the private sector partner.

Although some opportunistic individuals have tried to create some negative publicity about the museum, we are all determined to succeed in this genuine historic project in an area of high unemployment. It will be the corner-stone of an economic turnaround for the area and the community is solidly behind the geological society in a very positive way.

* * *

CITIZENS' FORUM ON CANADA'S FUTURE

Ms. Audrey McLaughlin (Yukon): I rise today to underline the fundamental importance of having representatives from Canada's northern territories on the recently formed Citizens' Forum on Canada's Future panel.

Surely, if we are to engage in a process of national renewal, it is essential that all regions of the country have a voice. I need not remind the House that the Yukon and Northwest Territories encompass one third of Canada's land mass. The Yukon and Northwest Territories were left out of the Meech Lake process.

The Prime Minister spoke yesterday of consultation from coast to coast. Well, I want to call on the Prime Minister for consultation from coast to coast to coast. I call on the Prime Minister today not to ignore the reality of Canada, to acknowledge Canada's majestic north, and to give the message to Canadians in the north that our views count and that our voice should be heard.

I call on the Prime Minister to ask for nominations from the Yukon and Northwest Territories to serve on this very important panel on national unity.

* * *

FREEDOM OF INFORMATION

Mrs. Beryl Gaffney (Nepean): Madam Speaker, Article 19 is an international London based anti-censorship monitoring organization. It has said recently that Canada's protection of freedom of information is too weak. The group in its report to the United Nations Human Rights Commission urged that federal budget cuts in programs to promote the use of aboriginal languages be reconsidered. During the recent Oka crisis, the news media's freedoms were severely diminished.

I would hope that the Standing Committee on Aboriginal Affairs in its consideration of the events of this past

summer at Kanesatake would take these and other words of censure from the international community into account.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, I have questions today for the Minister of the Environment on his handling of the Rafferty–Alameda dam project and what it says about his commitment and that of the government to having a sound environment for all Canadians.

Yesterday an affidavit was tabled in the Saskatchewan Court of Queen's Bench, sworn under oath by Premier Devine of Saskatchewan, in which the premier said that on September 5 he met with the minister in the minister's office and he and the minister agreed that the dam project would go ahead and there would be no environmental assessment completed until after the dams were completed. Yet the minister in this House on October 12 said and I quote: "There was no such agreement".

How could the minister tell the House that there was no such agreement when the premier of Saskatchewan swore under oath in an affidavit tabled in the Saskatchewan court that there was such an agreement and that he and the minister even shook hands on it?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, first of all I would like to repeat for my hon. colleague that my position in this case has always been very straightforward. It has been to say that I wanted the process of a full review to be completed. There were documents that were filed late Wednesday afternoon in Saskatchewan before the court. I asked the court, through our legal counsel, to give me the time to respond to those documents. I intend to do so. I can also say that I maintain the position that I took before my colleagues in this House on October 12, saying that there was no such agreement.

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, I have the premier's affidavit right here in my hand. In it the premier swears under oath that the minister made an agreement with him, which was repeated before officials at a luncheon, that the dam project could go ahead and there would be no assessment until the project was completed.

Will the minister swear his own affidavit under oath, setting out what he said here, and will he go to Saskatchewan immediately to allow himself to be cross-examined under oath about his affidavit?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, I just said very clearly in my answer to the first question that the documents had been tabled before the bench very late Wednesday afternoon. We asked for an adjournment so that I would be in a position to provide the equivalent documents on the federal government's position, and I will do that. Those documents will be sworn and they will be deposited before the court this afternoon.

Hon. Herb Gray (Leader of the Opposition): Madam Speaker, if the minister and the government are fully committed to having an environmental review before the project goes ahead and if they want the court to prevent the project from going ahead before this has happened, why has the government, through its lawyers, asked the court for another six days delay before the case is heard?

I am told that earth moving equipment is working on the dam day and night, seven days a week. Even though the minister wants to file his own affidavit, why can the case not begin right now with the material that is already available? Does it not mean that the minister is not serious if the minister, through his lawyers, wants another six days before the case even begins to be heard?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, it is very simple. I have mentioned that twice now. I will mention it a third time to make sure that my hon. colleague opposite understands it.

The Government of Saskatchewan made available new materials to the court on Wednesday afternoon, roughly at four o'clock local time. We were advised of this new material. I think that it is only appropriate that on our side we have the opportunity to file equivalent material so that the court can reach a full and knowledgeable decision. That is what we are doing.

• (1120)

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, in the affidavit filed by the president of SaskPower, Mr. George Hill, it is alleged that the minister stated that if the Rafferty Environmental Review Panel quit, "So be it".

Did the minister say, and I quote from the affidavit, "If in fact, it did quit, it would probably increase this minister's options". Did the minister say "he did not care" one way or the other.

Is there any limit to this minister's or this government's cynicism. Having said these things, does the minister believe that he will ever again be able to regain the credibility which is required to be the ultimate defender of the nation's environment?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, I will repeat again, it is very clear. I want the process to be completed. That is why we have undertaken the moves that we are undertaking. I will be making a full declaration before the court in the form of an affidavit that will be tabled this afternoon.

Other than that, because the case is before the courts, I have no further answers to give.

Mr. Paul Martin (LaSalle—Émard): Madam Speaker, that is a cop-out, and the minister knows it.

Did the minister say to the premier of Saskatchewan that he should not communicate with this minister through his ministerial office because the minister cannot handle his own bureaucrats?

As a result, was subsequent correspondence between this minister and the premier of Saskatchewan not carried on through the Parliamentary Secretary to the Prime Minister? Was the Chief of Staff of the Prime Minister involved in this whole scene, as is alleged?

Is the Minister of the Environment, by his denials, not only impugning his own credibility, but impugning the credibility of his department? And now, is he not impugning the credibility of the office of the Prime Minister? Who, in heaven's name, are the Canadian people to believe?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, it is very clear: There was no agreement reached on September 5. We are before the courts. The affidavit will be filed this afternoon, and affidavits from many of the people that my hon. colleague has mentioned.

There was no agreement and we want the process respected. We want a full environmental review of the project before work is allowed to continue, pursuant to the only agreement that was ever signed between Canada and Saskatchewan which is the January 26, 1990, agreement.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, in the issue of the Rafferty-Alameda dam, what is at stake here is the credibility of this minister and government, the implications for future projects and the seriousness of this government to have a real environmental review process.

Some hon. members: Hear, hear.

Ms. McLaughlin: For that reason, Madam Speaker, I believe the Minister of the Environment must clarify his actions for this House.

In the affidavit put forward by Premier Devine, he says that the hon. member for Souris—Moose Mountain, the Parliamentary Secretary to the Prime Minister, was aware of a deal that had been made.

I ask the Minister of the Environment, would the Parliamentary Secretary to the Prime Minister not have advised him on September 5 of this deal? Would the Principal Secretary of the Prime Minister not have advised him? Who is in charge here? Is the Minister of the Environment in charge? Can we trust him?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, it is quite clear. The meeting that was held on September 5 was attended by myself, people from Saskatchewan, some of my officials and some of my political staff. There was no agreement. I have made that very clear to this House. I repeat it right now.

Ms. Audrey McLaughlin (Yukon): A supplementary, Madam Speaker, for the Minister of the Environment. Clearly, there are two stories here. Rather than argue about the stories, the minister says he is going to file his own statement, I want to ask the minister about another matter.

The environmental review process to which he is said he is very committed to is very important to all Canadians in his implications for James Bay and his implications for other megaprojects.

The Minister of the Environment said the panel quit because they felt they could not work under the circumstances of the dam proceeding. I ask the Minister of the Environment if he has given consideration to appointing another panel. If so, who will be on that panel? Who has agreed to sit on that environmental panel?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, given that the purpose of this exercise is to ensure that we have a process that is carried out fully, certainly the answer to the question of whether or not I am looking at the appointment of another panel is yes, obviously, because that is the only way the process can be allowed to be completed.

I would also like to suggest to the hon. member opposite that, given that we have a guidelines order but no legislation to ensure that all major projects in this country are fully assessed from an environmental point of view before construction begins, I would certainly urge her party to support strongly Bill C–78, which is now before committee.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, a supplementary question. The minister well knows that there are more loopholes and more exemptions allowed under Bill C–78 than even under the current system.

Some hon. members: Hear, hear.

Ms. McLaughlin: Madam Speaker, the Minister of the Environment says he is going to appoint a panel. We have construction continuing 24 hours a day. The project is continuing and the minister has asked for a further delay of six days. When is the Minister of the Environment going to appoint another panel? What is the date? Who has agreed to sit on this panel to review this project?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, the whole purpose of our being in court is to seek an injunction so that the work will cease on the project at the moment and that will allow us, at that point, to appoint the new panel and to move along with the respect that we have, as a government, for the process of environmental review in this country.

Ms. Sheila Copps (Hamilton East): Madam Speaker, my question is to the Acting Prime Minister. It concerns the credibility of not only the Minister of the Environment but the whole government on this particular issue.

We have the sworn affidavit from the premier of the province of Saskatchewan who states, and I quote: "He", that is the federal Minister of the Environment, "invited me to shake hands on the agreement we had made, which we did". He further states, under oath, that the agreement was communicated not only to the member of Parliament for Souris—Moose Mountain but also to the Chief of Staff of the Prime Minister on that same day.

Now we have the Minister of the Environment, in the House, claiming no deal was made, and the premier of Saskatchewan stating that not only was a deal struck, it was communicated to the Chief of Staff of the Prime Minister. My question to the Acting Prime Minister is who is lying, the Minister of the Environment or the premier of Saskatchewan? Who is lying?

Madam Deputy Speaker: I think the hon. member may want to rephrase her question.

Ms. Copps: I will rephrase it then, Madam Speaker. My question to the Acting Prime Minister is who is not telling the truth?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, there was a meeting on September 5. We did discuss a number of issues. There was no agreement made to change the agreement that was signed on January 26, 1990. That is still the agreement that is in force. We want that agreement to be respected so that environmental concerns in this country can be met.

Ms. Sheila Copps (Hamilton East): Madam Speaker, the minister is making a very serious allegation, that the premier of Saskatchewan was lying under oath. The Minister of the Environment continues to state that no such agreement was reached when, in fact, we have a sworn affidavit from the premier of Saskatchewan who states that not only was an agreement—

Madam Deputy Speaker: Will the hon. member put her question, please.

Ms. Copps: My question is for the Acting Prime Minister. If there is anybody on the government side of the House who cares about the environment, will they tell us who is telling the truth on this particular issue, the

premier of Saskatchewan or the Minister of the Environment?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, the hon. member knows the rules of the House better than her questions would suggest she does. She knows what language is unparliamentary. Also she has always had a very keen eye for language that might make the television news. She should subvert her interest in the television news to her interest in this parliamentary process.

The answer has been provided by the Minister of the Environment. There will be affidavits filed later in the day on behalf of the Government of Canada that will make the position of the Government of Canada very clear on the matter. She should not try to seize a momentary deadline because of the natural timetables that are involved in a court process.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, Manitobans cannot be and are not indifferent to what is going on in Saskatchewan. Manitobans are deeply concerned about what the Rafferty–Alameda dam project might do to water quality and water quantity in the Souris River on the Manitoba side of the border.

However, the environmental review panel has resigned; it is gone. Without the review panel in place, how does the Minister of the Environment plan to proceed with an assessment of any impact on the environment in Manitoba?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, that is the reason we are encouraged. We are encouraged because we want the agreement of January 26, 1990 respected. The reason that we are encouraged is also because the panel resigned once it found out that that agreement was not being respected.

Depending on the court's decision, then we would move very expeditiously to appoint a new panel to make sure that the work is completed and that the process of environmental review is fully respected in this instance.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I am sure the Manitobans will want the minister to keep his promise on that.

The Rafferty–Alameda project was preceded by an agreement with the Americans. Canada promised to build the dam, to build it very quickly, and in return the Americans promised to kick in $41 million.

Now the federal government has lost control over the project. Besides, the agreement was signed before the environmental impact assessment.

Are we not headed for a possible international mess with the Americans and all because of the negligence of this government?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, it became painfully apparent by late September—early October that the agreement which had been signed between Saskatchewan and Canada under the court order that had been issued for environmental assessment was not being respected.

We immediately moved to seek an injunction in court, and that is what we are proceeding to do, again to ensure that a full process of environmental review be conducted on the project according to the court order that was handed down back in December 1989.

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the same minister.

Today is November 2. According to the affidavit, on September 5, on September 17, on September 28, on October 5, and again on October 10, the Saskatchewan government let the federal government know—either the minister himself, the Parliamentary Secretary to the Prime Minister or the chief of staff of the Prime Minister—what its position was.

Why did the alarm bells not ring? Why did the federal government not have a position to defend the environment? Why was nothing done to defend the federal government position?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, I just want to tell my hon. colleague that throughout that period there were ongoing discussions between the Government of Saskatchewan and myself to try to reach an agreement that would allow the panel and the process to be followed throughout.

Those conversations took place throughout September and early October. The last conversation was held the day when we had unfortunately to recognize that no accommodation could be reached, that the panel had

resigned, and that we had to take hard action, namely seek an injunction in court.

Mr. Rod Murphy (Churchill): Madam Speaker, my supplementary question is for the same minister.

If the minister were aware—and he must have been after all those days of communications—that there was such a problem, why was nothing made public? Why was the public kept in the dark? Why were others not in a position to know that the environment was being threatened? Why were others not told that the Saskatchewan government believed it had a deal? Why was everything kept in the dark? Why was everything kept a secret? Why was the public not able to defend the environment, like this minister has refused to do?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, throughout this period the panel was going about its job according to its terms of reference to fulfil an environmental process which we feel is very important for Canadians and for people throughout the country. That panel was working and that work was advancing.

During that time we were trying to discuss with Saskatchewan some of the controversy that had emerged over the last six months. The work was being done and was proceeding.

We would like very much to be able to assure right now that that process be maintained and that work be completed.

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Minister of the Environment.

He will know that in paragraph 84 of the affidavit of George Hill he states: "When the meal was concluded, which would have been around 1.35, the minister asked the premier if there was anything further, and when the premier replied that there was not, the hon. Robert de Cotret invited the premier to shake hands on the deal which they had made, and the two of them so shook hands."

For the benefit of all Canadians, would the Minister of the Environment explain why he now denies that there was a secret deal with regard to this matter?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, the member is quoting from the affidavit. The case is before the courts. I have indicated clearly to this House that I will be responding on behalf of the Government of Canada to these affidavits by an affidavit of my own this afternoon.

I would only hope that this matter can be resolved by the courts and not resolved in this kind of public discussion.

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Acting Prime Minister.

I have an affidavit signed by the premier of Saskatchewan. Paragraph 18 reads in part: "On September 5, 1990 he telephoned and spoke with the honourable Len Gustafson, MP". He goes on to say, and I have the full extract here for the Acting Prime Minister: "I also kept my appointment with the chief of staff of the Prime Minister and I advised him of the agreement and the terms thereof. He informed me that he was pleased it was all behind us."

Would the Acting Prime Minister clarify the matter for all Canadians and admit to Canadians and to the House that there was a secret back room deal on this project?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, I congratulate the Whip on his appointment and on his enthusiasm. It is too bad that his facts are not consistent with his rhetoric.

Mr. Dingwall: You're calling the premier a liar?

Mr. Clark (Yellowhead): No, no. I don't use language like that. I leave that to the member for Hamilton East.

The hon. member, with doubtful propriety, has quoted an affidavit that is before a court on a matter that is also before the courts.

As my colleague, the Minister of the Environment has said, there was no deal. As he also said, there will be further affidavits filed this afternoon. Rather than seeking Andy Warhol's 15 seconds of fame on television at noon, the hon. member should let the court process carry forward.

[*Translation*]

MANDATE OF THE SPICER COMMISSION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, my question is directed to the Acting Prime Minister.

The terms of reference of the Spicer Commission are not clear, not by a long shot. Canadians have many questions concerning either the make-up of the commission or its work mandate.

I should like to ask the Acting Prime Minister whether the Spicer Commission will be a substitute for the promise made by the government or the Prime Minister to appoint a national commission on native peoples affairs? And are we to infer that the Spicer Commission will replace or defer another government promise that Parliament will address the reform of this institution and this country, beginning with the Senate? Can we expect an early start on Senate reform?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, we hope to see a reform in current Senate practices, and Canada would be well served if the Liberal senators were to drop their tactics aimed at stalling the proceedings of the Senate.

But of course the government and Parliament will have to take other measures to reform our institutions, not only the Senate but the Commons as well where changes are necessary, as they are with respect to other federal-provincial and Canadian practices.

We believe that such a great national debate should not be the exclusive preserve of parliamentarians. As MPs we do have a role to play, but then so do all Canadians. Given yesterday's announcement about the establishment of the Spicer Commission, the Canadian government is now in a good position to participate fully in the decision-making process involving the future of this country.

• (1140)

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the Spicer task force may be good group therapy for the majority, but many of us in this country feel left out. The francophones outside Quebec, the people who live north of the 60th parallel and the multicultural groups feel left out of this commission.

I want to ask a question of the Deputy Prime Minister or the Prime Minister—

[*Translation*]

—"suppléant". I will use the French term. This is not stalling.

An hon. member: He is the one who is stalled.

[*English*]

Mr. Gauthier: Will his government consider enlarging that commission to include the people I have just referred to and, second, will the report of that commission be given to Parliament eventually for analysis and action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, I know that the quality of my French sometimes leaves something to be desired in the country—

Mr. Turner (Vancouver Quadra): It is better than your English.

Mr. Clark (Yellowhead): It is better than my English, the former Primer Minister tells me. It is part of the rich diversity of Canada, and I am sure he would continue to encourage me to be inventive in my vocabulary if not in my response to questions.

The reason that we have established this commission is precisely because thousands, perhaps millions, of Canadians do in fact feel left out of decisions that affect the future of the country. I think that is a matter which has to be of concern to all of us who work within national institutions.

Our national institutions are obviously not working as well as they should. We have to continue to carry out our responsibilities in this place and in other national institutions, but we have to recognize the reality that Canadians feel left out, that they want an opportunity to participate in planning and deciding the future of this extraordinary country. We will all be the beneficiaries of that.

Are there likely to be changes in the composition of the panel that was established? No, there are not. Is there going to be a determined effort to ensure that every Canadian in every region from every background

has the opportunity to participate fully in this process? Yes, there is. That is why we put it in—

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, my question is for the Minister of Industry, Science and Technology. It is prompted by a report in today's papers that Quebec Government Minister Gil Rémillard is not satisfied with the federal performance concerning regional development in Quebec.

Can the minister tell the House the status of discussions on September 30 last concerning the 1988 Canada-Quebec agreement on the regional economic development of resource and central regions?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): First of all, Madam Speaker, Mr. Rémillard made a mistake yesterday because he referred to the $240 million forestry agreement when he should have mentioned the regional economic development agreement which has nothing to do with what we are talking about.

Second, with respect to the money spent by the federal government in Quebec and concerning the $800 million agreement, the federal government has earmarked about 76 per cent of the funds, and the Quebec government about 40 per cent. The federal government has spent about 25 per cent of the money, as compared to 2 per cent by the Quebec government.

From a federal standpoint the program is right on schedule and it is being implementd on a regular basis. Quebec government officials may choose to take a different approach as they see fit, but that is not our responsibility. Still I think Mr. Rémillard ought to get his figures straight before commenting on them.

* * *

[*English*]

TRANSPORTATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. This morning's release of the tanker safety report spells out an urgent agenda for the protection of Canada's four coasts from tanker spills and dumping.

This morning at the press conference, the minister's talked in vague terms of studying, examining and assessing. The report predicts we can expect one major spill every year and it says we are utterly unprepared now.

Will the minister take immediate steps to obtain the necessary funds and staff to implement as much of the report as possible without having to proceed to legislation?

Hon. Doug Lewis (Minister of Transport): Madam Speaker, I want to take this opportunity on behalf of the government, and I think all Canadians, to thank David Brander-Smith and his panel for the report. It is certainly wide-ranging and very hard hitting and the government takes into account its recommendations. They are excellent.

We have only had the report for a short time, but my hon. friend makes the point that we should move as quickly as possible. Yes, we are. I think there are some things we can do to co-ordinate our responses between various departments to increase our surveillance and inspection. We will undertake to do those immediately. Vis-à-vis things that have been in the works for some time, I am pleased to advise my hon. friend that a $5.3 million installation of vessel traffic services will be made in Placentia Bay. That will be announced this afternoon by my hon. friend, the Minister for International Trade.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, the minister's response is a bit more positive than it was at the press conference this morning. I would encourage him to quickly prepare a plan and table it before Parliament.

I have a separate question for the Minister of Transport, Madam Speaker. On Monday the National Transportation Agency issued a licence to kill VIA Rail services. VIA management can now reduce or eliminate routes without the bothersome process of actually asking the people affected what they think.

Will the minister make good on his government's alleged commitment to consultation? Will this government move to overturn the agency's decision?

Hon. Doug Lewis (Minister of Transport): I was hoping my friend would return to Brander-Smith so I can improve my answers.

No, I do not think that the decision will make any difference to the vigilance which the government will show toward all of the VIA routes in this country. The last VIA route cuts were as a result of a determination as to where we could best spend the taxpayers' money. I think the results speak for themselves and I should not be worried if I were the travelling public.

* * *

MARINE INDUSTRY

Mr. Sergio Marchi (York West): Madam Speaker, my question is also for the Minister of Transport and it concerns his government's plan to force Canadian shippers to pay user fees for the services of the Coast Guard.

Given the declining state of our shipping and harbour industry across Canada and the outright condemnation of this plan by the St. Lawrence Economic Development Council, how can the minister force Canadian shippers to pay these onerous user fees, knowing full well that this will destroy the competitiveness of the marine industry along the St. Lawrence Seaway, particularly in the province of Quebec which will be the hardest hit?

Hon. Doug Lewis (Minister of Transport): Madam Speaker, the government makes no apologies for looking at how we can best serve the shipping public and the Canadian taxpayer in organizing the Department of Transport. To that end we have looked at cost recovery and my hon. friend makes it sound as though it is a *fait accompli*. He knows very well that it is a consultation process. It is going on in the marine mode, it is going on in the aviation mode. Furthermore, my hon. friend also knows that the deadline for input to me was extended from November 1, 1990 to February 1, 1991 just last week.

Mr. Sergio Marchi (York West): My supplementary is for the same minister. This government, through its ill-conceived policies, also makes no apologies for derailing our trains, grounding our planes and bringing our airlines to a halt, and now they are trying to sink the shipping industry.

Now that it is clear that these user fees will devastate the competitive edge of the marine industry, will he come to his senses and reject and revoke the implementation of these damaging user fees to the marine industry?

• (1150)

Hon. Doug Lewis (Minister of Transport): Madam Speaker, as of now there are no "these user fees". There is a consultation process with the industry under way. I will await the end of that consultation process before I make any decision. That is when the decision will be made, based on consultation, not the way the Liberal Party used to do it.

* * *

[*Translation*]

EMPLOYMENT

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is directed to the Acting Prime Minister.

Employees at Pratt and Whitney were informed yesterday that there would be layoffs because of orders cancelled as a result of the recession created by this government.

Will the government announce policies directed at getting Canada out of this recession, in order to help these employees and thousands of other Canadians who are losing their jobs? Are you going to do something?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Madam Speaker, I agree, Pratt and Whitney made those announcements yesterday, but I wish my colleague would consider that since 1984, this company, located in Longueuil near Montreal, has considerably increased its work force and in fact has hired several thousand new workers.

It is a fact that at the present time, the aviation industry, and especially engine construction, is experiencing a slowdown, not just in Canada—because this is not specific to Canada—but throughout the world.

Some hon. members: Oh, oh!

Mr. Bouchard: I find it rather amusing to see members of the Liberal Party so upset, because six years ago, Madam Speaker, in 1982, they cut 2,500 jobs!

Mr. Alfonso Gagliano (Saint-Léonard): The Liberal Party isn't upset. Thousands of workers are upset because they are losing their jobs as a result of this government's economic policies.

How many jobs do we have to lose before you decide to fire your incompetent minister of Finance?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): During the past six years, the Conservative government's economic policies have had positive results. Millions of jobs have been created. Of course, it is not the opposition's role to focus on the number of businesses that were created in Canada during that time.

We have every confidence in the Minister of Finance, far more than in the series of ministers of Finance we had under the previous Liberal government, Madam Speaker!

* * *

[*English*]

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, my question is for the Minister of Forestry.

Our forests are in a crisis with the softwood lumber tariff and this government's high dollar, high interest rate policy. Forestry agreements which will help research and reforest our harvested areas expired months ago and we now learn that the minister has less than 30 per cent of the necessary funds to finance an agreement with British Columbia.

Why has the minister failed to sign an agreement, despite his many commitments that he would do so?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, we all know it takes two to tango and two to sign an agreement.

As my hon. friend knows—most Liberals might not know this, but that is a sort of a given.

An hon. member: Most people understand that.

Mr. Oberle: Most people understand that.

The fact of the matter is that we have had a very attractive offer, consistent with the strong commitment to forestry by the federal government, filed with the province of British Columbia and other provinces. I have announced recently that unless the offer is taken up that I would have to consider some other options.

I can inform my hon. friend that my counterpart in British Columbia has just recently sent me a letter expressing his interest in getting on with signing the agreement.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, it is about time we had some action from this government and the government of British Columbia on the forest agreements.

An hon. member: Hear, hear.

Mr. Gardiner: The Auditor General's report states that plans for a national inventory of our forest resources are on hold because of the failure of the minister to sign these agreements with six provinces across the country.

The minister has already gone on the record saying that he would go it alone in British Columbia if an agreement was not signed. Will he go it alone across this country to ensure we get a proper inventory of our forest resource?

Hon. Frank Oberle (Minister of Forestry): Madam Speaker, one of the priorities and the principles that I have dictated be included in the new agreements deals very much with the requirement for longer term planning and for a more accurate data base.

Most provinces agree that this is one of the necessities and we are structuring the agreements to accommodate these kinds of things.

In terms of what the Auditor General said, I do not know what report my hon. friend read, but I could not find any text that would come anywhere close to what he is alleging.

* * *

PORT OF HALIFAX

Mr. Ron MacDonald (Dartmouth): Madam Speaker, my question is directed to the Minister of Transport. Recently the Atlantic Provinces Economic Council added its voice to the rising chorus of those concerned about this government's transportation policies. The viability of the port of Halifax is being threatened by the ports in New York and U.S. rail lines. By the way, the port of Halifax contributes over half a billion dollars to the Atlantic economy and is responsible for thousands of jobs.

Will the minister finally address this pending economic disaster, order Canadian National Railways to upgrade its track between Montreal and Toronto, and take steps immediately to ensure that Ontario and Quebec bound container traffic is not being spirited away to the U.S. eastern seaboard ports.

Hon. Doug Lewis (Minister of Transport): I am fully aware, Madam Speaker, of the concerns of the east coast, especially the port of Halifax, vis-à-vis transportation. I have toured the port of Halifax by helicopter and I have met with the Harbour Port Commission. We discussed their concerns for the future.

We presently have under way an initiative which we think will be helpful vis-à-vis the co-ordination of the two modes, rail and port. I am sure that my hon. friend will be interested in what we are doing. We think we can make some progress down there.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, the time for action by this minister is now. He has been made aware of the problem over the last six months on a number of occasions.

If he needs any further evidence that the threat is real, and the threat is today, I have in my possession a document which was presented before the Interstate Commerce Commission by Hapag-Lloyd, who just happens to be the fourth largest shipper into the port of Halifax. Their submission was in support of Canadian Pacific's acquisition of the D & H rail line which runs from the port of New York to the Quebec border. In it, they say:

> Hapag-Lloyd is very interested in developing improved and competitive alternatives to the Canadian markets of Montreal and Toronto—we urge the Commission to grant swift approval to the transaction—

When will the minister start taking his job seriously and start protecting Canadian jobs, instead of transporting Canadian jobs in the marine industry to the ports in New York and New Jersey?

Hon. Doug Lewis (Minister of Transport): I want to advise the House, Madam Speaker, that I have been made aware of the concerns of the port of Halifax by colleagues on this side of the House. My hon. friend has never once raised them in this House.

I want to inform my hon. friend that CN is presently upgrading the line between Halifax and Montreal. Those things are already being acted upon.

An hon. member: That's right.

THE ENVIRONMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, my question is for the Minister of the Environment. Earlier today the minister said in answer to a previous question that "the panel on the Rafferty-Alameda dam project was working". If the panel is working so well, can he tell us today why every single one of them quit?

Hon. Robert de Cotret (Minister of the Environment): Madam Speaker, the panel became increasingly concerned that work was continuing on the Rafferty dam beyond what they understood their terms of reference to be. At that point the panel quit.

• (1200)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the Acting Prime Minister.

The affidavit by the Premier of Saskatchewan states: "I also kept my appointment with the chief of staff of the Prime Minister". Earlier today the Acting Prime Minister told us that there was no deal that was made and that was confirmed by the Minister of the Environment.

Could the minister please tell us what was the purpose of that meeting between Mr. Spector, the chief of staff of the office of the Prime Minister, and the Premier of Saskatchewan? What else was it for?

Right Hon. Joe Clark (Secretary of State for External Affairs): Madam Speaker, I believe that Mr. Spector was at that time the Deputy Minister of Federal-Provincial Relations. It would not be surprising that he would meet a provincial premier.

I think that if the hon. member, and indeed the House, would like to wait for the court process to carry forward in its normal process, they will find affidavits among others by Mr. Spector filed in the court.

* * *

PRESENCE IN GALLERY

Madam Deputy Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Hon. Bengt Goransson, Swedish Minister of Education and Cultural Affairs.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSES

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I would like to table, in both official languages, the government responses to 19 petitions.

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

* * *

[*Translation*]

BILL C-258

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, Bill C-258, an Act respecting the establishment of the Centennial Flame Research Award to publicize the contributions to Canadian public life of persons with disabilities, was reviewed by a legislative committee on October 12, 1990.

As Chairman of this committee, I have the honour to present the Bill to the House, without amendment. I want to thank the hon. members for their diligent and conscientious work. Now that I have completed my job, I also want to thank the Speaker for giving me the honour of chairing this legislative committee.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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NORTHWEST TERRITORIES ACT

MEASURE TO AMEND

Hon. Bernard Valcourt (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-92, an Act to amend the Northwest Territories Act.

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

[*English*]

PETITIONS

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Madam Speaker, pursuant to Standing Order 36, I submit a petition from a number of petitioners from across Ontario concerning the issue of labelling of food products.

This petition is the result of some very severe allergy reactions that resulted in deaths of young people across Canada, and in particular Robyn Allen, age 15, who passed away as a result of food allergies.

The petitioners are calling upon the Government of Canada and parliamentarians to amass legislation amending the food and drug regulations in order to require manufacturers to list specific food ingredients and additives used in prepackaged foods in place of the general classification. Also, the petitioners ask that restauranteurs and food retailers be required to provide customers with a list of all food ingredients and additives in prepared foods.

RADIO LICENCE FEES

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I rise today to present the first in a whole series of petitions that I hope other members will be presenting. It is from volunteer fire departments in the province of Nova Scotia.

This particular petition is from the volunteer fire department in Bedford, Nova Scotia. This volunteer fire department has been there for a long period of time, as have volunteer fire departments been providing volunteer necessary services across the country.

They are asking the government to review its position whereby volunteer fire departments and other emergency services are now having to pay full licensing fees for all radio equipment that they have. The petitioners humbly ask the government to reconsider this policy. As volunteer fire services, they are finding that this increased fee, which they see as a tax, will take away from their effectiveness in providing safe and reliable service to their communities.

Routine Proceedings

AGRICULTURAL SUPPLY MANAGEMENT

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition to the House on behalf of several constituents of Stormont—Dundas who share in the concern of dairy and poultry farmers across Canada that their marketing systems may be in jeopardy due to the implementation of the free trade agreement and the current round of GATT negotiations.

These petitioners call upon Parliament to instruct the government to hold the Canadian supply-management system up as a sound method of agriculture to the rest of the world and for the federal government to protect the system in its entirety during the current round of GATT talks.

GOODS AND SERVICES TAX

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, I have another petition I would like to table, pursuant to Standing Order 36. It is a privilege also to table this petition on behalf of my colleague from Mount Royal.

These petitioners from Toronto are very concerned about the tax on books and other publications. When we are trying to develop more literacy across the country, these petitioners are asking the government to reconsider applying a GST to reading materials.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos. 372 and 373.

[*Text*]

VISITOR VISA APPLICATIONS AT THE HIGH COMMISSIONS IN ISLAMABAD, PAKISTAN, AND NEW DELHI, INDIA

Question No. 372—**Mr. Lee:**

In 1989, for the High Commission in (a) Islamabad, Pakistan (b) New Delhi, India, how many visitors' visa applications were (i) received (ii) rejected (iii) approved (iv) issued?

Right Hon. Charles Joseph Clark (Secretary of State for External Affairs): a) During 1989 the High Commission in Islamabad, Pakistan received 8274 visitor visa applications. During the same period, 4277 applicants were refused, and 7065 visas were issued.

b) In New Delhi during 1989, 29,241 visitor visa applications were received; 11,209 applicants were rejected, and 26,482 visas were issued.

Please note that statistics maintained do not identify "applications approved" as distinct from "visas issued".

STUDENT VISA APPLICATIONS AT THE COMMISSION IN HONG KONG AND THE HIGH COMMISSION IN NEW DELHI, INDIA

Question No. 373—**Mr. Lee:**

In 1989, for the High Commission in (a) Hongkong (b) New Delhi, India, how many student visa applications were (i) received (ii) rejected (iii) approved (iv) issued?

Right Hon. Charles Joseph Clark (Secretary of State for External Affairs): Following are statistics for students as requested:

	Applications Received	Rejected	Visas Issued
(a) Hong Kong	8,475	1,423	7,267
(b) New Delhi	645	67	457

Please note that statistics maintained do not identify "applications approved" as distinct from "visas issued".

[*English*]

Madam Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

[*Translation*]

POINT OF ORDER

ORAL QUESTION PERIOD

Hon. Jean Lapierre (Shefford): Madam Speaker, it is with deep regret that I must raise another point of order following a verbal commitment by the Chair relating to the oral question period. Yesterday, my colleague, the hon. member for Richelieu, was allowed to ask a short

question out of charity. Today you did the same thing for me.

My colleagues and myself met with the Speaker to ensure we are treated fairly in this House and allowed to ask real questions to the government. Again today, after you let us ask a short question, the Minister was allowed to go on and on while we could not even reply.

Madam Speaker, there was a formal agreement to give my colleagues and myself permission to ask questions, including a supplementary, like any other member of the opposition. After the Speaker ruled yesterday that we had the right to sit as full members of this House, I do not understand your attitude at all. It is strange but the same thing happens every time you are in the Chair.

Some hon. members: Oh, oh!

Mr. Lapierre: I would like to know, Madam Speaker, what is your own policy regarding the oral question period?

[*English*]

Mr. Cooper: Madam Speaker, I would like to indicate to the Chamber that we on this side believe in justice in Question Period as well.

I hope that in any ruling the Chair may make, it may take into account the fact that there are about 100 back-benchers on this side who would love nothing more than their fair share of questions every Question Period.

• (1210)

[*Translation*]

SPEAKER'S RULING

Madam Deputy Speaker: I am startled, to say the least, by the hon. member for Shefford's comments, who refers both to today's events and to events that took place yesterday, when someone else was in the Chair. In any event, I will gladly discuss the issue with the hon. member in my chambers, which is the proper place for that. I think that the Canadian citizens and the members of this House will understand how sorry I am that the hon. member for Shefford chose not to ask a question when given the floor. That is his choice, not that of the Chair.

MOTION TO ADJOURN UNDER S. O. 52

RAFFERTY-ALAMEDA PROJECT

Madam Deputy Speaker: A request having been made pursuant to Standing Order 52, the Chair will recognize the hon. member for Hamilton East.

[*English*]

Ms. Sheila Copps (Hamilton East): Madam Speaker, I am rising to ask you to consider the possibility of an emergency debate on the issue of the construction of the Rafferty-Alameda dam.

In light of the revelations by way of sworn affidavit not only of the premier of Saskatchewan, but also in light of other affidavits, there appears to be a tremendous contradiction, and I am being charitable, between the position taken by the Minister of the Environment federally, and the premier of Saskatchewan on the issue of the Rafferty-Alameda.

One could argue that this matter will be dealt with in the course of the jurisprudence over the next few days. We heard from the Leader of the Opposition today that, as we speak, the equipment is continuing to work 24 hours a day seeking to complete construction of the Rafferty portion of the dam prior to the federal government taking any court action.

Not less than about 10 days ago in the House, we heard the Minister of the Environment state categorically that he was going to do everything in his power to immediately halt construction of the Rafferty-Alameda dam. Since that time, we have had a series of contradictory and confusing statements emanating directly from the minister and stall tactics on the part of the government. In particular, we have a situation where the federal Minister of the Environment, having promised in the House, that he personally was going to move to—

[*Translation*]

SPEAKER'S RULING

Madam Deputy Speaker: I have heard what the hon. member for Hamilton East was telling me and wanted to go on telling me. I think that all the members of this House as well as all Canadians are well aware of the importance of the environmental problems, especially as regards the Rafferty-Alameda dam right now. We have

been discussing this issue for almost an hour and we discussed it for a full day very recently. This is no doubt an important question. I simply wanted to provide the hon. member with an explanation, even though I was not required to. However, I do not think that it would be appropriate to set aside the matters before the House today in order to have an emergency debate. Maybe some other time.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURE

The House resumed consideration of the motion of Mr. Speller (p. 15039)

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, it is a pleasure for me to be able to respond on behalf of my party to the motion placed before the House by the member for Haldimand—Norfolk.

It is a very timely motion to be debating in the House as we witness the unfolding of the GATT negotiations on the one hand, and the extremely tough times which Canadian farm families are facing on the other.

Farming has never been easy in this country. The vagaries of weather and markets, and the mechanization of the farm industry and its effect on the farm community have all contributed to a great deal of uncertainty over the years and never made farming an easy way of life. However, the current crisis bears more serious attention than it has been getting. Part of the problem is that as the farm population dwindles, it becomes less and less significant, politically. Therefore, the issues pertaining to agriculture have received much less attention than they should have because of the very significant role of agriculture, not only in our national economy but particularly because of rural Canada where one-third of Canadians still live.

This decline goes all the way back to 1981. That is why I would like to put a few figures before the House that we, as members, might look at as we contemplate what is happening to the farm community.

For example, in 1989 farmers received only 80 per cent of the income for livestock and grains that they produced that they received in 1981. In other words, from 1981 to 1989, the amount that they received in cash for their production was only 80 per cent of the original figure. At the same time, production costs went up 150 per cent. So you can see that the gap between what farmers receive for their products, through the marketplace, as compared to what they have to pay in expenses has opened up very, very significantly.

This year alone we are looking at a 37 per cent drop in net farm income and a 60 per cent cut in the province of Saskatchewan, the province from which I come and where my father still farms and where I still live, a proud mortgage payer on a half section of land which I have at this point rented out.

This is not merely a statistical problem. This is very much a human problem. Obviously, when you go that long with such a big gap between income and expenses, the debt load piles up, particularly with the high interest rate policies which first Liberal governments and then Conservative governments have consistently pursued, ensuring that farmers who got into the industry, in the sixties to the mid-seventies, have continually been paying very high charges on the money that they have borrowed.

This has not only created uncertainty in the farm community, but it has now come to the point where the debt the younger generation is taking on is even dragging down their parents. Parents offer collateral for loans that the younger generation has taken on, never dreaming that their retirement incomes would suddenly be wiped out as creditors come calling. This is happening repeatedly throughout rural Canada.

As well, there is an increase in stress for farm families as income earners need to go to other provinces to bring home income to keep the farms going. This creates all kinds of stress, not only on the farm families but it also robs the community of its base of people who can keep community activities going. Furthermore, we have a real sense of hopelessness. Young people do not want to farm

and are looking for the first opportunity to get off the farm if only they could get their money out. This is certainly not the kind of scenario where a vibrant, rural community can evolve.

Part of our problem is that we have always looked exclusively at agriculture and not looked at what is happening to the population. We have accepted this decline because we have not looked at the population and made the maintenance of a rural and farm population one of our goals and priorities as a society.

Part of the problem is that the real crisis with regard to the rural population has been masked somewhat by the phenomenon around urban centres where there has been a great deal of acreage development and a moving of people from the cities to the rural areas around cities. I certainly have no opposition to that. There are a lot of people who have done that around the city of Prince Albert. The community of Spruce Home, where I live, has a lot of people who have moved out from the city. Nevertheless, this inflates the rural numbers which show up in census figures while the actual fact is that the genuine rural community that is not influenced by an urban centre close by has been in deep trouble. For example, in Saskatchewan between 1981 and 1989 we have had a decrease of 1,000 farmers a year, down to 60,000, in spite of all the claims previous governments made to support the farming sector.

• (1220)

Currently, of those 60,000 farmers, 10,000 are living with the daily threat of foreclosure. They have received notice of foreclosure and are currently at some stage in the process of losing some or all of their farm assets. Those 10,000 farmers could well be gone in the very near future, given the cash flow situation on the prairies. It is a very cruel joke that there are wonderful crops of grain but there is no market for it and no money for it when it is sold.

This spills over into small-town Canada. If you look again at my home province of Saskatchewan, of the 701 communities there 303, almost half the communities in the province, the population has diminished since 1986. That represents failed businesses, closed schools, and a lack of services right across rural Saskatchewan. In many ways, this same situation pertains to many other parts of the country.

When we look at the whole process of what has happened to agriculture, we can look back to the year 1969 and the task force report on agriculture. That report essentially said that two out of three farmers were inefficient and had to go. The report was roundly condemned by all sectors of the farm community. It was never fully adopted by any government. Certainly, the Liberal government of the day did not embrace it with open arms and the Conservative government since then has not embraced it.

However, in my mind the policies included in that, the acceptance of the notion that two out of three farmers were inefficient and had to go, has served as the underpinning of agricultural policy in this country. The trend outlined in that task force report has clearly been operative since that time.

The rural community has finally recognized what is happening and is saying: "We have retreated long enough. We fought enough rear-guard actions. We have to draw the line". There will be no more retreat by rural Canadians when it comes to their way of life, their population and their future.

The motion deals with a number of underpinnings which have made it possible to maintain what we have now by way of a rural community, as well as in the future. Certainly, orderly marketing and supply management have worked in most respects very well. That is why I find it very distressing that they are under attack.

They are under attack by editorialists in this country. It is an ill-informed and virulent attack, reminiscent in many ways of the attack by Mrs. Beryl Plumptre and others during the late 1970s who were supposedly fighting inflation and were using that as a platform to attack farm incomes. Many Canadians believe that marketing boards never recovered from the attacks launched on it.

At the same time we have the waffling of a government that says on one hand it fully supports supply management, but on the other hand introduced a free trade agreement which allows much greater access of American exports into the Canadian market. That goes along with an equivalent producer subsidy analysis of farm subsidies at GATT which end up greatly distorting the true picture of subsidies in Canadian agriculture,

because that formula includes the prices farmers get under supply-management as a subsidy. That is not correct at all. That is a price that is coming out of the marketplace and is not a subsidy. However, with the way we have allowed the GATT negotiations to proceed, that is considered a subsidy and something we are prepared to put on the table. When it comes to supply management and subsequent discussions, what we have to get away from, not only in this country but internationally is the whole beggar thy neighbor approach to world trade and agriculture where the multinational corporations are allowed to control the price of agriculture production around the world. They ratchet down the prices to farmers and ratchet up the input costs, leaving farmers poorer and competing with each other for a shrinking over-all farm dollar.

We do not want to make farmers in Europe, the United States or the Third World any poorer. I am worried that the so-called liberalization of trade that we see is essentially an abandonment of the world trade system to the multinational corporate sector and will do nothing but further depress farm incomes around the world.

Something that affects farmers in my part of the country very much is the whole question of the Crow benefit. The Crow rate was an historic agreement in this country. In my mind it was a part of the west's constitutional deal with Canada. It allowed us to move our product to export markets as part of a deal we had with the rest of Canada to make it viable to produce grain on the prairies. That was undermined by preceding Liberal governments which chipped away at it through the Western Grain Transportation Act.

The Crow benefit is under attack again. This is an attack that the farm community has almost unanimously resisted through their farm organizations. It is under attack through the transportation task force which very much distorted the whole grain transportation picture and its analysis. It came out with a very tilted kind of analysis in favour of a pay-the-producer type of regime. At the same time, our government bureaucrats and people making these decisions are continuing the undermining of the Crow benefit by using GATT as an excuse to get rid of the benefit to prairie farmers.

The point is that the U.S. or any of the other trading partners have never said that the Crow benefit is a problem to them. That is a problem we are imposing on ourselves.

The government argues that it has provided all kinds of money to agriculture over the last number of years and indeed it has. A lot of that money has been *ad hoc*. A lot of that money that has been given to the farming community shows that the government is essentially schizophrenic in its approach to agriculture. On the one hand there is a supposed commitment to supply management and orderly marketing. On the other hand, oats are removed from the Wheat Board and the free trade deal very soon will allow competition with the Wheat Board in our Canadian markets.

When it comes to grain, one sees the elimination of the fuel rebate, new costs to crop insurance and the flip-flop on grain cash advances which undermines orderly marketing. Then the government comes forward with task force reports. The farm community looks forward to these task force reports with some openness of mind and with some hope that a more coherent approach to agriculture will result.

To give credit to the government, the whole picture has not fully come into focus as yet. The Gross Revenue Income Plan, GRIP, reminds me very much of the plan that we proposed in the last federal election whereby grain producers would be assured the cost of production on their first $8,000 of production. That would be a guaranteed price on a guaranteed amount of production. It would give farmers certainty and it would be simple to administer. It was something the NDP proposed in the election and was very well received. The closer the GRIP program comes to that kind of concept, the better it will work.

The NISP, the Net Income Stabilization Plan, I fear is going to help only those farmers who already have a substantial net income. This would apply to the older farmers and leave the younger farmers in the situation where they are virtually as high and dry as they are now. If we look at what is happening in my own province of Saskatchewan, the average family income of the Saskatchewan farmer from agriculture this year will be $5,000. There is no family in Canada that can live on $5,000. Some immediate help is needed and also some long-term income insurance.

• (1230)

While I am speaking of the net farm income picture with regard to farm families, however, I would like to make note of another issue that is not often addressed in this House. That is the situation confronting the combined income farmers in this country. At least 50 per

cent of the farmers by now rely to some degree or other on off-farm income to maintain their family income. This is hardly surprising when the income from farming averages $5,000.

What happens to these farmers is that they are subject to the Income Tax Act which does nothing but creates uncertainty for them through something called section 31 of the Income Tax Act. This section makes very uncertain whether farmers who have off-farm income can write off their farm losses against that income, something that every other business in this country can do. Farmers, however, are subject to section 31 of the Income Tax Act which allows Revenue Canada to determine whether that is a bona fide loss or not. It can adjust a farmer's taxation in accordance with its rulings which are very vague, which are very general, and which are very hard to apply in advance. In fact, Revenue Canada is able to go after a farmer for as long as four years after the last tax filing and reassess that farmer's income.

While farmers are putting their own money into their own income insurance plans and their own investment into their farms, they are doing so with the threat that the tax man can come along and lop off their heads in one fell swoop with application of section 31 of the Income Tax Act. I plead with this government to look at that act. As the farm income situation has worsened more and more farmers are vulnerable to that kind of situation, and it needs to be dealt with.

In the last minutes that I have left I would like to indicate briefly some of the policies that our party would like to advocate to ensure that there are no more retreats for rural Canada, that we do not have to turn around and fight any more rear guard actions.

First, we need to plough ahead with the whole safety net concept. We have to make sure that we recognize that this industry cannot be solely market driven, that there needs to be intervention by the public sector, that we need to work together co-operatively, and that the orderly marketing system is what is going to keep us afloat in the future.

These programs will not be in effect until next year, as the Parliamentary Secretary to the Minister of Agriculture said. This year in Saskatchewan alone we need $1.1 billion to maintain the farmers there at their current very poor net income level. We need an immediate injection of cash into the farm community.

We need lower interest rates in the farm community. No sector has suffered more from high interest rates than the farm sector. We need reform of the Farm Credit Corporation so that it is not just acting like another lender out there in the marketplace and that in fact it uses its potential role to set up new farmers, to keep farmers in business, to provide long-term leasing provisions and to provide low interest rates so that farmers are not continually caught, generation after generation, paying interest on the farm debt, buying the farm from each other, and keeping each other at a low income level and in uncertainty generation after generation.

We need to make sure that our rural infrastructure does not deteriorate any further. We have to stop the closure of post offices which undermines rural communities. We have to make sure that rural services by VIA Rail and the rural highway system are maintained. We have to make sure that the co-operative sector is not sunk by the GST being applied to investments and to co-operative dividends so that rural communities and farmers can keep organizing co-operatives, as they have so successfully in the past to help themselves.

In conclusion, I am very happy that we have been able to address question. In this country people still want to farm. We have the land to farm on. The world still needs our food. All we lack is the vision or the political will to make sure that we maintain a vibrant farm community in the future.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I salute the member for Prince Albert—Churchill River. When the member talked about a vision toward the end of his speech, I thought immediately of a saying of John F. Kennedy. When he decided to take on the space project in 1961 he said: "We are going to put a man on the moon". Nobody really knew the various technical ramifications and complexities involved in putting a man on the moon. But, because he had a vision, he was able to rally the people of the United States of America. People from all walks of life, professionals and school kids worked toward that common cause.

When I listened to the member today I heard about the various things we in this country have been doing for agriculture. He talked about the various aspects of life affected by agriculture. It seems that we have to develop a whole new equation, not unlike the equation that John F. Kennedy developed when he put a man on the moon.

Traditionally we have been a country where our thought process has been measuring strength by bankers we know and armaments we build, but maybe we should be shifting our thought process to becoming a nation that measures its strength by the mouths we feed and the environment we protect. When we get into a thought process where we measure our nation's strength by how many people we feed and how much environment we protect, we are talking about a totally new language.

The member was born, raised, and is now involved in this field. My question to him is: Is it not time that we should develop totally new approaches to measuring the strength of agriculture in our country, its role in our country and its relationships with other countries around the world and to measuring true strength in terms of a country?

Mr. Funk: Madam Speaker, I thank the hon. member for Broadview—Greenwood very much for his very thoughtful question.

He captured in some ways where I believe we need to be heading. As I tried to outline in my speech, part of our problem has been that we lack that kind of a vision. We had it when we originally settled this country. John A. Macdonald's national policy was one of filling up the countryside. Nowadays we would apply an EARP process to the whole matter of cutting down trees, developing roads, and so on. Nevertheless, at that time we had a broad vision of the development of this country which really excited the imagination not only of the country but of the whole world as immigrants poured into this country. We developed rail networks and other infrastructure around the development of the rural community in its capacity to produce food not only for Canada but for the world.

Gradually we have lost that. It is hard to say whether it was the chicken or egg first in this case, whether we lost the vision and thus became vulnerable to death by a thousand wounds of the farm or rural community as one program and another were developed which undermined not only the economics and the population base but the broader vision of the rural community.

It is a very sound approach to analysing the future. I am glad in the sense that the government has included sustainability as part of the four pillars to which it wants to address itself. I have some skepticism about that, given the fact that the government's over-all approach is clearly one of having a more market driven economy and of letting the chips fall where they may, a kind of approach which many of us feel in no way will lead us toward a more sustainable future.

• (1240)

Nevertheless, it is on the table and part of that certainly has to be a new sense that we are protecting a large environment as well. We are not only producers of food. We are custodians of a vast percentage of the earth's land service. We have a trust. It is to look after this land not only for our own future populations but for the world at large so that it stays productive in future generations.

We can encompass that kind of vision. We can come to terms with what that really means and set some firm, concrete objective for ourselves in terms of no more rural depopulation, maintenance of rural services, or what we want to do as a society. I think we can make great progress.

Two very specific things need to be done right now to start that process along. First, I am very concerned that the task forces, as good as they are, have no unifying theme. No analysis is to be done or is available or nothing else is envisioned that will tie all those task forces together into a comprehensive view of where all this takes us. It is still going to be a fragmented approach as each task force reports in each sector.

We will not know whether we stay in retreat or whether in fact we move forward on a comprehensive basis, at least not on the basis of what is being done through the task forces.

The global view has to be included as part of the process, and that is not part of it. We need to tie together our thinking on rural development as well. There are a lot of very creative thinkers around this country, both in the academic community and in farm organizations such as the wheat pools, the Farmers' Union and a vast number of other farm organizations. Also there are some very creative thinkers at the community level.

People do not want to see these communities decline. They have good ideas.

We need to develop a mechanism to tie together rural development thinking and take it forward on a sustained basis, in a manner that we as parliamentarians can have input and show some national leadership to achieve what the member so eloquently suggested, a new vision whereby we measure ourselves by the mouths we feed and the environment we protect.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Madam Speaker, I just want to comment briefly on the hon. member's speech.

I was struck by the frankness and especially the depth of the hon. member's speech. I can say that as the member for Chambly, a riding next door to that of Madam Speaker, and in fact after actually living in Madam Speaker's riding, in the small town of Saint-Barnabé-Sud, I have known for a long time that farmers are extremely worried about— The Tories on the other side seem to think this is funny. I don't think it is funny at all.

The people in my riding and the town where I live, the farmers, are very worried. You can smile all you want. You can smile while you are the government, but you won't be there much longer!

What I was saying, Madam Speaker, is that the farmers are worried for two reasons: first, they see a government that poses a daily threat, with programs like the GST, with interest rates so high they can't even survive, and free trade, Madam Speaker. They already have a problem with the GATT talks, which according to Department of Agriculture are expected to cause general farm income to drop 25 percent this year. Madam Speaker, this is sickening.

Madam Deputy Speaker: I am sorry but I must interrupt the hon. member. The period for questions and comments has expired.

[*English*]

There is no time for a rebuttal. Debate, the hon. member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, it is my pleasure today to participate in this debate on the motion proposed by my colleague, the hon. member for Haldimand—Norfolk.

We are talking today about the worry that Canadian farmers have concerning these negotiations on the GATT. Canadian farmers want us to be speaking in the House of Commons on the policies of this government with regard to agriculture. And, of course, as I said previously, they are extremely concerned.

[*Translation*]

Canadian dairy farmers, and especially those in Glengarry—Prescott-Russell, as I said earlier, feel threatened. There are about 1,000 dairy farmers in my riding. I see the Secretary of State for External Affairs across the way, and I know he is very familiar with the electoral district of Glengarry—Prescott—Russell. I have good reason to believe he visits my riding at least once a week, in fact just a few kilometres from my home.

He is familiar with farming in Glengarry—Prescott—Russell. He has a chance to see farming firsthand, since it is the main industry in my riding.

Madam Speaker, Canadian farmers are worried about the message being sent by the government opposite. On October 15 in the House of Commons, the Minister for International Trade said, and I quote verbatim from Hansard:

> Mr. Speaker, on October 1, we had to file at Geneva, together with other countries involved in this negotiation, an estimate of the costs of various programs in effect in Canada to assist agriculture. The total was $8.8 billion. The Minister of Agriculture should be ashamed at the amount of assistance he is giving Canadian farmers. It is a huge amount of assistance.

Madam Speaker, the Minister for International Trade may have said this jokingly, but I can assure you his comments are disturbing. I hope no one in this country shares the minister's view that we have $8.8 billion worth of farm subsidies, that we should be ashamed of the amount of assistance being given to Canadian farmers and that it is a huge amount. That is not true.

First of all, if we talk about Canadian dairy farmers and the net worth of the supply management systems in this country, the fact that the price paid to farmers or, if you prefer, the fact that farmers have a guaranteed income for their products, that is, a guaranteed income per unit, the more efficient they are, the bigger their

profits. So what is guaranteed is not the farmer's profits but the price he gets for his milk, and that is calculated according to a formula based on production costs.

Some people have put a value of $2.2 billion on this. However, Madam Speaker, this is merely an assumption, because the federal government's grants to dairy farmers total $266 millions, which is only 10 per cent of that amount. There are those who would see this as a subsidy. I say it is a non-existent subsidy.

• (1250)

[*English*]

I have in front of me an article which appeared recently in *The Ottawa Citizen*. It is about a farmer by the name Nathan Harris from Renfrew county. Mr. Harris was complaining to *The Ottawa Citizen* about a story that had been written concerning subsidies to agriculture. He had been complaining with reason. I will read the article:

> Specifically, he was worried—not to say fuming just a bit—about an Oct. 17 column by *Citizen* columnist John Hay on the subject of farm subsidies.
>
> "This sort of report," said Harris, "is totally unacceptable."
>
> What particularly irked him was Hay's statement that Canadian dairy farmers "cream off" $2.2 billion a year in government subsidies. (Harris also wasn't very happy at Hay's description of Canada's dairy supply management program: "price-fixing and supply-rigging by marketing boards.")
>
> That subsidy figure was wildly inflated, said Harris. After all, there are about 36,000 dairy farmers in Canada and $2.2 billion would average out to something like $60,000 per farmer—
>
> The $2.2. billion—is not a government payment to dairy farmers. In fact, about 85 per cent of it—$1.87 billion—is accounted for by the difference between the Canadian domestic price and the prevailing world price for dairy products.

Obviously, Mr. Harris is quite correct in pointing out that dairy farmers do not get anything like that from the federal government. The article states further:

> Still, when I asked columnist Hay the source of his figures, his answer was immediate: "The government of Canada." The federal trade department—

That is the same department that is led by the Minister for International Trade who is telling us that the Minister of Agriculture should be ashamed of giving, according to him, so much help to the farming community. Jane Huntley of Dairy Farmers of Canada explained the facts. She stated:

This so-called prevailing world price for dairy products includes producer subsidies that other countries give to their producers. This has an effect of lowering the price artificially in those countries. The difference between our price and the artificially lowered price is deemed to be a subsidy.

It does not take an economic genius to know that that does not make sense. If their prices are artificially deflated, then surely we should not take the difference between them and our price in order to arrive at what is the so-called rightful price.

In any case, what difference does it make when our supply management system is designed to sustain our Canadian consumers and not for export. In other words, supply management is not a trade distortion measure. Because it is not, the whole point of what the Minister for International Trade said in reply to that question on October 15, 1990 in the House of Commons is wrong.

Those from other countries who are telling us that our dairy farmers are getting these kinds of subsidies are wrong. As I said previously, the dairy farmers of Canada get only about 10 to 15 per cent of the amount that some have claimed our farmers are getting.

[*Translation*]

Madam Speaker, let us not misread public opinion in this country. I have here a document prepared by the Dairy Farmers of Canada concerning a poll carried out earlier this year by Goldfarb Consultants.

The findings by Goldfarb Consultants were as follows: 85 per cent of the people who responded to this poll described the job done by Canadian dairy farmers as either good or excellent; 77 per cent felt that Canadian dairy farmers did a job as good or better than their counterparts in other countries; 79 per cent felt that the lives of dairy farmers are very hard; and 94 per cent that dairy producers scrupulously meet the standards of the industry.

If I were a Tory member, Madam Speaker, I would envy these findings.

I can assure you that the level of trust which Canadian consumers have in our agricultural industry is far greater than their level of trust in the government opposite.

Madam Speaker, some may feel that it is not important for our industry to be self-reliant. Again, you know, the same poll revealed other interesting facts. To wit: 94 per cent of Canadians feel that it is important for the Canadian dairy industry to be self-reliant. The following question brought to light some interesting facts: What importance should the dairy industry have in Canada? One choice was: important enough to meet our own needs with surpluses to export. Seventy-five per cent of Canadians agreed with this statement. Madam Speaker, this demonstrates the Canadians' trust in the system.

To conclude, Madam Speaker, I should like to quote a statement which the Minister of Finance made on October 15 in this House, as reported on page 14138 in Hansard: "But you cannot go to heaven without dying." Madam Speaker, I can tell you that my colleagues and I will not allow Canadian farmers to die a slow death.

[*English*]

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I too am very pleased to be speaking in the House today in support my colleague's motion "that in the upcoming GATT negotiations and in over-all economic policies, the government recognize the essential role played by farmers in maintaining the Canadian way of life".

I believe it is essential that the government be given a strong message. The message is that Canada's farmers deserve our loyalty and our support, that the principles on which these people built their livelihoods must be maintained.

The GATT negotiations are on the minds of all Canadian farmers today. Agricultural subsidies are seen by many observers to be at the centre of the current round of GATT negotiations. Many questions still remain as to the possible outcome of these talks.

These questions, as we all know, have an enormous impact on our agricultural sector in Canada. There could be major repercussions for the farmers in my community of Nepean as an example.

Let me briefly outline the Canadian government's proposal that it took to the GATT negotiation table. The position is as follows. First, 100 per cent elimination of all existing export subsidies over a ten-year period; second, all non-tariff barriers, other than supply management will be converted to their tariff equivalents; third, new tariff equivalents will be reduced by 50 per cent over a ten-year period and at the end of the ten-year period no tariff will be greater than 20 per cent; fourth, eliminate meat import laws and replace them with the safeguard measures provided in Article XIX of the GATT; fifth, reduce by 50 per cent all trade distorting internal support programs over a ten-year period; sixth, double all allowable amounts of supply managed imports entering Canada to 5 per cent, subject to U.S. and EEC participation.

Madam Speaker, let me speak specifically to the issue of supply management. Let me preface it by saying that this position represents the minimum requirement for Canadian farmers.

The Canadian government has made the fundamental mistake, right from the outset, of offering 5 per cent on imports as their opening bid. According to the dairy industry, this is the bottom line position. I had occasion to sit at a meeting with half a dozen of the dairy farmers from my particular area of Ottawa-Carleton and they are very concerned about this. We will have to wait and see what will result from this blunder. I am standing here in the House today in order to encourage the government to hold to this bare minimum. There is no room for movement on this issue.

Canada's challenge at this point is to develop an economically viable agricultural industry that can compete successfully in a competitive and liberalized international trading environment. Canadian negotiators must keep this most basic goal in mind throughout the ongoing negotiating process.

• (1300)

Within this framework, Canada must work within the GATT, first, to create a fair and clear set of international trading rules for agriculture and, second, build a system where access to markets around the world would be increased through the reduction of world tariff and non-tariff barriers.

We, in the Liberal Party, feel it is through international trading arrangements that liberalization should occur, with less of a direct focus on the bilateral relationship with the United States. This is why the current Uruguay round of negotiations is so important. So far, the federal government has proven itself unable to get the backing for its Article XI proposal; far too willing to slash internal programs, including dairy programs by 50 per cent; and too agreeable in undermining supply management in Canada by negotiating the elimination of tariffs of all agricultural goods in the FTA.

It is essential for Canada to maintain its long held principles of supply management. In a country of this size, with pressures from all round, it is necessary to ensure the existence of safety nets. These safety nets are an essential part of the agricultural industry in Canada. Without them, the industry would be in quite dire circumstances. In order that a stable and secure agriculture industry be maintained in Canada, management must be sustained.

I also want to point out that it has not gone unnoticed that the federal government appears to be trying to play farm interests in the east against those in the west, in hopes of recovering western support. This is a very dangerous game. The federal government is not going to gain the support of one community at the expense of another community. This would fracture the Canadian farming community, and I consider this to be unacceptable and unprincipled. It is time for the federal government to adopt the role of a national, not regional, advocate.

The Canadian farmer deserves our support and a fair return on his investment of labour and love for farming. We should be refocusing our attention back towards self-sufficiency in food. This motion is an important symbol of our support for the Canadian farmers' efforts to feed Canadians in the years to come.

Canada has relied on its farmers in the past, and I believe that we will need to rely on them more in the future. It is up to us, here in this place, to show that we are on their side and that we want them to succeed.

In closing, I want to say that agriculture is an integral cog in the Canadian economy. Even more important, the Canadian farmer is of fundamental importance to the Canadian way of life and the well being of the Canadian nation.

It has been a real honour and a privilege to speak on this agricultural issue in the House today and to indicate my support to the farming industry here in Canada.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Madam Speaker, earlier today I paid very close attention to the speeches of my two opposition colleagues, the one made by the hon. member for Glengarry—Prescott—Russell and what was intended to be a speech by the member for Chambly. Mr. Speaker, what little hair I have on the head stood straight up.

I was very surprised to hear the hon. member for Chambly speak on agriculture in the House. I suspect he may never have seen a cow in his life and, in light of his remarks about farmers being against the GST, I would guess he knows precious little about the subject. Mr. Speaker, if anybody stands to benefit from the implementation of the GST, it has to be the farming community, and so far they have been enthusiastic about it.

As to my colleague the hon. member for Glengarry—Prescott—Russell, for whom I have a lot of respect and esteem, he at least—unlike the member for Chambly who just had the floor—knows what he is talking about because his riding is home to a good many agricultural producers. But that is as far as I can go in terms of congratulations to the member for Glengarry—Prescott—Russell. A moment ago he began preaching as he is wont to do, trying to tell us how considerate the Liberals are with farmers, how they see things, and how they have now discovered the pressing needs of the agricultural community in Quebec and in Canada.

Strange that we should hear that from the hon. member for Glengarry—Prescott-Russell. I can still remember back in 1983 when Jean Chrétien was the member for Saint-Maurice. Fed up because local farmers had demonstrated in front of his Shawinigan riding office he said to the newspapermen: "Farmers are a bunch of cry babies, and there is nothing we can do for them. The more they get, the more they want". That was Jean Chrétien's position in 1983-84. All of a sudden, Mr. Speaker, we find out that the Liberals are fascinated by agricultural issues.

I would suggest that the member for Glengarry—Prescott—Russell review his speech, and while he is at it he should give a few pointers on agriculture to the member for Chambly who is in the House and who earlier made the worst speech on agriculture that I have heard so far in this session. I urge him to get together with his colleague in the agricultural caucus and ask for a few hints. Then he could come back to see me because back home we are familiar with the problems experienced by the farming community. In Saint-Maurice I have producers from practically all the farm specialties you are likely to see in Quebec.

The member for Chambly was making comparisons and concluded that agriculture is on the brink of disaster. He was referring to the riding of our Deputy Speaker, the hon. member for Saint-Hyacinthe, which happens to be next to his. Now and then he would be well advised to look around when he goes to Saint-Hyacinthe.

Mr. Speaker, for the benefit of people who are unaware of this fact I can tell you that Saint-Hyacinthe agricultural producers are the richest and most highly rated. They are Quebec's producers who live in total prosperity and, in terms of agriculture, the riding stands second to none. That is a fact. We know these people have managed to rationalize their operations over the years, with the result that the Saint-Hyacinthe region has become extremely prosperous indeed. This should be obvious to anyone who visits the town of Saint-Hyacinthe the surrounding area, Mr. Speaker.

Next time, I suggest that before the hon. member for Chambly, rises in the House to speak to a subject he is totally unfamiliar with, he should at least do his homework. I realize members cannot be expected to know everything, Mr. Speaker. However, when a member takes the trouble to rise in the House to speak in debate as the hon. member for Glengarry—Prescott-Russell did earlier, although I do not agree with the hon. member, at least he knows about farming. And I wish the hon. member for Chambly would get this straight. A member does not take the floor just to provide window dressing, because he happens to be the only member from Quebec in his caucus. A member rises in the House when he has something worthwhile to say.

Mr. Speaker, today, I would like the House to consider for a moment the position being defended by Canadian negotiators in the last stretch of the Uruguay Round which is drawing to a close after four years of intense discussions by 98 GATT member states.

As you know, Mr. Speaker, although agriculture represents only of 15 negotiating groups in this GATT round, it has become the focus of attention because of its efforts to get out of the present impasse. The problem is due mainly to the failure of major farm product exporting and importing countries to establish some order in a market that is characterized by anarchy. The situation is also due to a lack of clearcut rules applying to all partners in the agricultural sector.

In accordance with the instructions issued by the president of the negotiating group on agriculture, on October 15 our country tabled its detailed proposal for use in the multilateral talks on agricultural trade. I may recall that this is merely an initial proposal, conditional on the commitment of other trading partners to clean up their agricultural trading practices.

Canada's proposal consists of four main components, to be implemented over a period of ten years. Mr. Speaker, I noticed the hon. member for Chambly was listening carefully to what I was saying. I may add, for his benefit, that what is important for Quebec farmers is that negotiations are taking place, and Canada is not the only country involved. Ninety-eight other countries are involved in the talks. So why the defeatist attitude? Why these cries of gloom and doom about the future of agriculture in Quebec and Canada?

• (1310)

When he came to Saint-Tite, in the Champlain riding, he said that as far as farming was concerned, within six months of the implementation of the Free Trade Agreement, Saint-Tite would become a ghost town. Well, today, in Saint-Tite and everywhere else in the Quebec heart land, farmers are living well; granted, they may be worried, but they trust us and know for sure that the government of Canada will stand steadfast in supporting them.

Having briefly described where I stand on this issue, Mr. Speaker, I thank you.

The Acting Speaker (Mr. Hudon): Does the hon. member for Chambly wish to comment?

M. Phillip Edmonston (Chambly): Mr. Speaker, I am sure the Canadian public in general must have been enlightened when they heard my friend the hon. member for Saint-Maurice. The way he took me to task is quite revealing about himself and his government. I must say that I understand, for I realize that my hon. colleague is very busy, having a great many things to do. He is very fond of his colleagues, and that is the reason why he spoke constantly while I was on my feet.

Mr. Pronovost: We indulge in psychology!

Mr. Edmonston: I am not sure he heard me. I am not sure either of his open mindedness. When dealing with the farm industry, I would say he demonstrated a certain narrow mindedness, if not out-right arrogance. Let me show you. He said: "The hon. member for Chambly is talking through his hat, but as representative of the Saint-Maurice riding, I do, and things are just fine". Frankly, Mr. Speaker, things are going badly! If I could only catch my hon. colleague's attention for one minute, I should like him to answer a question: Would you deny, in the House today, that the Minister of Agriculture has already predicted a 25 per cent loss of revenues in the farm industry? Twenty-five per cent! This information does not come from an Edmonston's report but a government's report. Find out for yourself! That is a fact. Of course there are farms in Saint-Hyacinthe which are doing well. But there are others, in Chambly and elsewhere, where the situation is bad, as the people will tell the hon. member for Saint-Maurice. Mr. Speaker, Jacques Proulx, of the UPA, will tell him that the situation is bad. Mr. and Mrs. Lareau are working a farm in my riding with their two sons, David and Martin.

This may seems strange to my hon. friend who will certainly refuse to believe me, but I spent a whole day working on Mr. and Mrs. Lareau's farm to find out what it meant to work on a dairy farm. Mr. Speaker, I had never worked on a farm. I am a newspaperman, a city boy. It is true. I am not trying to hide it.

Mr. Holtmann: Milk comes from cows!

Mr. Edmonston: That is right. But once elected, I decided that if ever I had to talk about the farm industry and other related problems, I should have a certain knowledge of the subject. Today, however, I don't think that the farmers both in Saint-Hyacinthe and Chambly deserved my colleague's remarks which were full of arrogance and showed a complete lack of information.

The Acting Speaker (Mr. Hudon): The hon. member for Saint-Maurice. A short reply please.

Mr. Denis Pronovost (Saint-Maurice): Yes, Mr. Speaker, even though I would have liked to give a more complete answer.

First of all, he accused me of attacking him. The hon. member for Chambly was the first one to rise in this House to unfairly attack government policies without valid arguments by talking about the GST, which will in fact benefit the agricultural sector in general, as the Quebec farmers union publicly recognizes. It is the kind of thing the hon. member for Chambly said to us.

Since he is a lemon expert, he should stick to his specialty and only take part in debates on the subject of defective cars. But, if he does not know anything about agricultural issues, he should leave the floor to the hon. member for Glengarry—Prescott—Russell, to my colleague, the hon. member for Drummond, or to other knowledgeable members of this House instead of talking nonsense as he is doing today. It is quite regrettable, and he is misleading Quebec farmers.

[*English*]

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I would first like to state that it is admirable that my hon. colleague from the New Democratic Party would even enter the debate on agriculture. He recognizes that agriculture and agricultural issues are important to all Canadians. I welcome his intervention, but it is too bad that sometimes we have to get on a personality debate. I do not think that really adds to what we are trying to achieve here.

With respect to safety nets in the agricultural sector, I think the real safety net that Canadian farmers have today are the ministers responsible for agriculture, and the Minister for International Trade and the Prime Minister who made agriculture the subject of the GATT debate today under the Uruguay round. That is a safety net that no one opposite mentioned. In fact, it was the Minister of Agriculture and the Minister of Grains and Oilseeds who came up with some very imaginative programs to assist Canadian farmers under terms that they would not be addressed under the present safety net systems or Western Grain Stabilization.

We have to remind Canadians that it was running deep in the hole financially and we as a government bailed it out. That was money that—

Mr. Funk: The farmers bailed it out.

Mr. Holtmann: And the government of Canada through the taxpayers of Canada bailed out the Western Grain Stabilization program. It was not an insignificant amount; hundreds of millions of dollars went into this.

Let us look at some of the other programs to deal with difficult times. It was the safety net thinking of the Minister of Agriculture that led him, with the approval of the Prime Minister, to spend $2.1 billion on special grains programs. That program alone probably saved more western farmers than almost any other program since World War II. That was a very, very significant program, paid for by the taxpayers of Canada. We admit it was *ad hoc*. *Ad hoc* programs are not the ones easily dealt with. It takes a tremendous amount of cash from the treasury. Clearly, we cannot forget that the safety net this country has does lie in the hands of a few men in control of our Department of Agriculture.

There can be criticism. I was in the House in the previous Parliament when, after announcing the few hundreds of millions of dollars in this program, the people in the opposition shouted that we should spend more. They were not even thinking that it does come from the taxpayers.

Earlier I heard the member from Saskatchewan saying that we need lots of low credit and lots of programs. Everything is "government will save the day for all the farmers". That is the sound of the old farmer's union group. There were a lot of people who knew how to become efficient farmers without first crying to the government.

Mr. Funk: A lot of them were farmer's union members.

• (1320)

Mr. Holtmann: Farmers do not like to cry to the government. They like to make their own money and they like to be able to be in the free market system. This government is trying everything to get them back to the free market system and fair trade, to bring some sense to agricultural trade under GATT.

We have had to put some subsidization out. Let us not forget that the provinces were there, too, subsidizing, countering each other within this country. They are not innocent in putting money out to farmers. Maybe they have to, but we do not within our own country have a level playing field with regard to agricultural subsidies. I think that has to be addressed. I believe the first ministers of this country should get together from time to time and try to put in an equal program, not one that encourages artificial production at times, but something that gives us a level playing field.

When it comes to the politics of agriculture and what we should do in the future, we all know there is a new, you might say, right-wing party in western Canada called the Reform Party. It wants to make great inroads. Just south of my constituency, the leader, Mr. Preston Manning, asks the public to help him form an agricultural policy. It was reported on October 27 that at two meetings he is reported as having "stressed the importance of reducing government spending".

This is quite unique because some of the farming community would like to support this new initiative of the Reform Party, but if it looked at it very closely, it is actually the total opposite of what the New Democrats want to do, which would probably be to double expenditures in agriculture. We have the Reform Party which is going to start cutting what we have.

Look at some of the programs which we did put into place, such as the agri-food programs to assist agricultural production and innovation or the drought assistance program. We had a terrible drought. The hon. member from Saskatchewan knows how severe the drought was. The Government of Canada came in with $500 million or $850 million and then another $500 million this spring to assist those in those particular areas. The Reform Party would have reduced that amount and, I suppose, members sitting in the seats opposite would have doubled that amount and just run the deficit wild.

Mr. Fisher: We'll speak for ourselves. You tell us your policy.

Mr. Holtmann: Mr. Speaker, the hon. gentleman will have a time to get up and reflect on the agricultural

policy and I am sure he would want to do so. But these are some of the facts that we have to look at.

We have a tremendous crop this year and low world prices. But where is the Minister of State for Grains and Oilseeds? I tell you, he is out selling the crop for us. I mean, he has done so much to sell the grain of this country. In fact, yesterday—

Mr. Fisher: Caused by the free market.

Mr. Holtmann: Well, there you have it, the New Democrats are going to be the next salesmen of our grain, in some market that is artificial as can be. They are going to find people to double the price of grain when it is at maybe $150 a tonne; they will find markets for it at $300 a tonne. That is the kind of logic we get from across the way. A free market is just that. It is there and you have to be competitive in it. Obviously, the subsidies of the Europeans do not exactly help us in this particular case.

The minister, knowing full well the difficulties, has been out there and yesterday made the suggestion that it looks like we are going to have a very good grain movement right into the new year. The hon. member should know the board has taken up all its options. I guess they cannot reveal the exact nature of the sale but I want to tell you, the Minister of State for Grains and Oilseeds, by the way, has a farm of his own and if anybody can understand the plight of the farmer, it is our Minister of State for Grains and Oilseeds. He has his fingers right down in the soil. He knows about the potatoes grown and the grain grown and the problems faced, because he has faced them himself.

Earlier on we heard an allegation that the goods and services tax is going to cost the farmers a lot of money. Here is something that ought to be considered. In fact, the Minister of Finance very clearly said, and this has been accepted by farmers, that the farmers would reduce their costs of production by $250 million with the goods and services tax. I can assure you that his predictions have been almost always right on while he has been the finance minister of this House of Commons for the last six years, not like the projections from across the way; not the absolutely ridiculous statements that came from across the way. He has been right on. Farmers will welcome this tax to reduce their input costs, as they should.

Certainly they will deny that this is likely going to happen, but the facts bear it out. Go to your farm dealers and find out what is going to happen to machine costs. They are going to go down. Input costs for fertilizers and chemicals will all go down, but I do not hear anybody speaking about that.

Mr. Funk: How about the Minister of Agriculture?

Mr. Holtmann: Mr. Speaker, I see you motioning that my time is up. In closing, let me say that farmers do face some difficult times, but it is this administration which in the past was able to make and assess programs to the benefit of farmers, and they know it.

Mr. Funk: Mr. Speaker, I listened with some interest to the remarks of the hon. member for Portage—Interlake, the place where they closed the base. The officials from that town are writing all the members of Parliament to help the member's town get some business going. They must wonder what their own member has done on their own behalf if they are having to recruit all 295 of us to intervene.

Mr. Holtmann: We'll take all the help we can get.

Mr. Funk: This is about as contradictory as the member's remarks were. I think he got carried away in a flight of rhetoric and accused the members opposite of advocating a position where the government is going to run everything, pay everything and where there is going to be an unlimited amount of taxpayers' money sloshing through the farm sector and somehow or other tied in with some ancient sins of the National Farmers Union.

If the hon. member wants to attack the National Farmers Union and the wheat pools of this country and the orderly marketing system that those organizations have advocated through the years, he should come out and do so directly.

What this debate is all about today is whether or not we are going to maintain an orderly marketing system based on the Wheat Board, the marketing boards and those kinds of institutions which make sure that we do not have to come in constantly with government money, that the market works for the farmer, not against the farmer, that the farmer is not the total victim of weather and international situations, and so on.

It used to be that governments in this country were good at working the international market to Canada's benefit, something we seem to have lost over the last 10 years.

At the same time the member pledges firm allegiance to the free market system, saying that this is going to solve all our problems, he turns around and brags about the billions of dollars increasing adherence to the free market system has cost us. Certainly it is not only our adherence to the free market system, it is the free market system that the United States of America is supposedly engaging in. The greatest free marketer in the world was supposed to be Ronald Reagan. He was supposed to have introduced the idea.

An hon. member: Right. Right. It ain't working.

Mr. Funk: But where did export subsidies come from? Who has increased their export subsidies 40 per cent in the last year, starting to subsidize into their own market, and even into Canada? This is the model that the hon. member is suggesting for Canadian agriculture. At the same time, he is attacking the traditional pillars of Canadian agriculture, the orderly marketing system which has made it unique and has allowed more Canadian farmers to survive.

I would like to ask the hon. member on which side of the fence he is actually on. Is he advocating that the orderly marketing system give away to the free market system, or is he not?

Mr. Holtmann: Mr. Speaker, I am glad the hon. member brought me back to orderly marketing. Before I enter that discussion, let me assure him that I come from a farm where we sell pigs without a marketing board, but we have a dairy for which we have a marketing board, and those things are pretty much to stay intact, as they are.

He would advocate that we would even have a marketing board for hogs, but I do not think that is going to fly. But let me get back to something that is very fundamental. When I indicated to this Chamber that in fact we have brought in programs to spend money to assist with the needs of agriculture at certain times, like a safety net program, it was his party that voted against the supply bill that put all the money in the hands of farmers. Have him explain that to his farmers back home. When we brought in the supply bill to put money into western grain stabilization and to put money into the Canadian Wheat Board overrun, it was his government that voted against it. Explain that to the people of Canada. If you support the farming and the agricultural policies of your own government, why do you vote against them? It makes no sense. Talking about being on both sides of the fence. Why wouldn't he and his party have supported those very things which he demands this government to do?

• (1330)

Mr. Funk: Because the government spending plans are a bunch of garbage.

Mr. Holtmann: There you go, Mr. Speaker. There you have the answer; just a little more rhetoric.

I am not on both sides of the fence. We have supported orderly marketing. We have done that. It has been stated again and again by the Prime Minister and by the Minister of Agriculture that in fact orderly marketing is one of our criteria. We have the right to have it within our own country.

We are debating the GATT. Naturally we think we are totally and unfairly treated by our trading partners. We are demanding that some orderly marketing be brought there because it assists all Canadian farmers, especially the ones that he represents.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, before I had the privilege of sitting in this House, I was, as you may recall, a member of the National Assembly, and at the time I represented a rural riding.

Back in the early 70s, I quickly became acquainted with the problems and concerns of farmers. At the time, there had been a major development in the agricultural sector, in Quebec and across Canada, and I am referring to the introduction of milk quotas, which turned out to be a very important and very profitable decision for our dairy farmers.

Recently, five representatives of the *Union des producteurs agricoles du Québec* came to see me in my office. In the past, when they met at various locations in the riding I represent, in the Petite Nation valley or in Thurso, for instance, I often attended their meetings. That is when I gradually came to understand—and when I say understand, I should say I merely scratched the surface—the real problems of farmers.

Lately, our farmers have become increasingly concerned, because of the GATT talks and especially because of free trade. The decision on imports of yogurt and dairy products including ice cream from the United States brought things to a head, when Quebec saw its milk quotas drop by 5 per cent, in other words, producers of industrial milk in Quebec will have to cut production by 5 per cent.

So obviously they are concerned. But they are also concerned for a number of other reasons. When we look at the motion, we see the words: "safety nets". As others said earlier, the safety net is there to ensure stable incomes that cover our farmers' production costs. However, I feel that this particular safety net has mainly benefited the general public, because for years our farm producers have been very efficient in their operations.

If we look at the past 20 years, and these are the facts, these are not figures out of a hat, if we look at the facts, the agri-food sector has been extremely efficient, with the cheapest products on the market, compared with the textile industry, auto manufacturers, and so forth. Farm producers have been very efficient since costs have not increased that much, compared with all other products on the market. So we can't say that they have failed to keep their operations up to date. In fact, they have been extremely efficient.

Will present benefits, such as the quota system for commercial milk producers or the stabalization program, be at stake in the negociations? Will the assistance we provide our farmers have to be cut?

I have always said, Madam Speaker, that agriculture has become as important as national defence in this world. If were to depend on outside sources for our food supplies, we would be putting ourselves in an extremely precarious situation. It is therefore essential—it is one of the most fundamental policies of our country—to ensure our self-sufficiency. There is no other choice. Otherwise, we would be in their hands.

So, we need well-established policies and the capacity to apply them, for the benefit of the Canadian farmers. As I said earlier, Madam Speaker, the present policies are effective. We would of course have to call upon people from the industry, the UPA for example, which represents our farm producers in Quebec. They have expressed their concerns during the meetings I had with them. They insisted that the government should not reduce at all the assistance it is providing them. That, of course, is their main request.

Since the commercial dairy farmers are already getting 5 per cent less for their milk, the slightest cutback will make farm relief even harder to find. As you know, the level of farm relief in Quebec—I cannot talk for the rest of the country—is extremely low. How do you expect the sons of farmers to follow in their fathers' steps if it means getting $250,000; $300,000 and up to $600,000 into dept? There is a provincial farmers assistance program I dealt with for many years. Generally speaking however, it is a heavy burden very few people are willing to support. Therefore, it is important to think about the future.

I do not want to do a historic retrospective but it is interesting to note that, 20 years ago, continuity was not a problem. Farmers' sons succeeded their fathers, which led to a very stable local economy. Farmers might have enjoyed stability but they had to work very hard to maintain their standard of living.

At the turn of the century, almost 70 per cent of our population lived in rural areas and over 25 per cent of our labour force worked the land. It is a high proportion. However, after the rapid industrialization that followed the First World War, this percentage fell to 15 per cent. Today, after World War II and the mechanization of agriculture, only 3 per cent of our labour force work the land. They have become very efficient and, with the new machinery and technology, it is obvious that our needs are enormous. But there are a lot more indirect jobs today me must take into account. For instance, in Ontario and Quebec, one out of seven jobs is directly or indirectly related to the agri-food industry.

To get to the point, Madam Speaker, if we cannot ensure the future, it is because present-day farmers did not get the help they so desperately need. We have lost some ground in the GATT negotiations and the Free Trade Agreement. It is very important that the government realizes there is a limit to what our farmers can handle.

• (1340)

If we loose our would-be farmers at that rate, you will see multinationals step in and take over the food-production industry, and that will spell the end of price stabilization. You can rest assured, Madam Speaker, that food prices will go up because, with those big multinationals, it is what the market can bear that counts, so to speak. But it is important for the government and the producers, UPA especially, who are watching closely the GATT negotiations and free trade. There is a potential danger for Canada to give in to American demands, especially when it comes to reducing the support given to our producers. It is extremely important that we maintain our security net for our farmers. If we do not, not

only will our farmers suffer, but it may also give rise to a social problem. Even if the population is concentrated in big cities, there are still people who want to farm. We must not take for granted that we can reduce the importance of farmers in our economy.

On the whole, I am sure that the government knows that UPA is watching it, and it is extremely important that it contacts the people concerned to make sure that the well-being of our farmers and of our food-producing industry is considered on the same footing as our National Defence.

Madam Deputy Speaker: Any questions or comments? Resuming debate. The hon. member for Stormont—Dundas.

[*English*]

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, I welcome the opportunity to speak today on this very important motion which concerns the integrity and future stability of the Canadian agricultural industry.

I wish to commend my colleague, the member for Haldimand—Norfolk, for bringing this motion forward. I believe it is a timely motion in view of the impending deadline of the GATT negotiations in Geneva and also for its support in maintaining an economically viable and productive Canadian agricultural industry in which both our farmers and the Canadian consumers are the beneficiaries.

The motion urges the federal government within the GATT talks and its domestic economic policies to recognize the vital role of farmers in maintaining the Canadian way of life. It specifically calls upon the government to uphold the principles of Canada's supply management system and maintain agricultural safety net programs which provide stability and an equitable return for every sector involved in food production.

The motion also urges the government to adopt policies which promote sustainable development in farming as well as recognize the essential role of agricultural communities in our economy and the well-being of Canadians from coast to coast.

Canadians are aware of the importance of agriculture to our economy. A decline in productivity and stability of our agricultural sector would certainly have a negative impact on the country. The government must realize that a failure to adequately protect Canadian agriculture at GATT and within its own agricultural policies would be detrimental to every Canadian and have serious consequences for Canada's over-all economy.

For 15 years Canadian farmers have relied upon the supply management system to promote stability within agriculture and to obtain a reasonable return for their business. One sector of Canadian agriculture with a considerable interest in the GATT negotiations and which is dependent upon supply management is the dairy industry. There are over 34,000 dairy farms in Canada with some 70,000 farm families deriving their livelihood from this industry. For these people, marketing boards have to remain strong.

In addition, there are roughly 25,000 Canadians employed in the dairy processing industry working in 400 plants across Canada. The total figure of those involved in this one agricultural industry is close to 100,000 and represents approximately 14 per cent of the total Canadian agribusiness employment. When these figures are incorporated into figures for the other agricultural sector, one can see the importance of agriculture to our economy and to employment in Canada. Jobs are scarce in rural Canada and agriculture is the backbone of our rural communities.

The dairy farmers of Canada desire to retain the marketing boards and the supply management system in order to earn a living from the price they can charge for milk. Farmers do not take advantage of the consumer by inflating the cost of milk and other dairy products. They simply obtain a fair price for their products based on their input costs. Supply management accomplishes just that. Without such a system Canadian dairy, chicken and egg producers would not be able to continue in operation. Very few businesses could if it cost more to produce a product than what it sold for in the marketplace.

Canadians witness every day the quality of agricultural products our farmers produce. Most Canadians agree that Canada has established in a relatively short period of time an agricultural system that is envied by the rest of the world.

In my riding of Stormont—Dundas I have over 2,600 constituents involved in agriculture and related services industry. Among them are, in my unbiased opinion, some of the finest dairy, egg and chicken producers in the country. I also take great pleasure in the fact that at the Ault Foods plant in Winchester some of the finest cheese in the world is manufactured and they are recognized internationally for their products.

Our agricultural sector must continue to meet the high standards of quality we have in Canada today. It must also be able to continue in meeting the needs of our farmers and all Canadians.

A recent public opinion poll found that 94 per cent of Canadians believe it is important for the dairy industry to be self-sufficient. Eight-six per cent of respondents thought our dairy farmers were doing an excellent job and 70 per cent said that all the dairy products consumed in Canada can and should be produced in our country. Only 3 per cent thought that dairy farmers were overpaid, while 45 per cent believed they were underpaid. Consumers who were aware of milk marketing boards viewed them positively and said that they were beneficial to both the consumer and the producer.

Canadians also recognize the valuable contribution farmers have made to Canada's cultural and historical heritage. Farmers have worked the rural landscape for generations and the rural way of life is an integral component in our country's traditions. Our diverse climate affords farmers a shorter growing season, but they have nonetheless succeeded in providing the food needs of our country.

Today, however, high interest rates, rising input costs and uncertainty over the future of agriculture in Canada are combining to place increasing pressures on the ability of our farmers to survive. The concerns about supply management and the various safety net programs have added to these burdens. The federal government for its part has yet to provide the kind of reassurances our agriculture community deserves.

The uncertainty over the outcome of the GATT talks in December has already caused problems for farmers in terms of their ability to obtain bank loans. Mr. Cyrille Parent, who chaired the annual conference on banking and agriculture held this month in Saint-Hyacinthe, Quebec, has stated that banks "are advising farmers not to take out loans for the next month". Banks themselves are quite concerned as well about the future of Canadian agriculture. They have a vested interest in the agricultural sector and its future viability.

In the last five years Canadian banks have written off over $560 million in bad loans and currently have $7.4 billion in outstanding loans to farmers. Obviously, our banks support the maintenance of supply management and the quota system in Canadian agriculture. They want to see this government take the appropriate action to support our farmers. They want to see Canadian farmers survive and continue their business relationship with the banking community.

Canadian farmers are not afraid of competing with the major agricultural nations of the world. What they simply want, however, is a fighting chance. They need the ability to compete and survive. Farmers realize the world is changing. They know that the agricultural trade issue is a major aspect of success of the GATT talks. No Canadian farmer wants to see a global war in agriculture, nor increased protectionist measures. Farmers recognize that if, for example, farm subsidies are to be phased out, then it must be done so in every country.

A level playing field must, however, exist in agriculture on the international scene. The United States is calling for the elimination of agricultural subsidies at the GATT. Yet the U.S. dairy producers are subsidized with U.S. government tax dollars. The U.S. farmer clearly admires the Canadian supply management system, so much so, that 11 of the major milk-producing states in the United States, which account for 80 per cent of production, implemented a system of production management on November 1 of this year. One therefore questions the actual commitment the U.S. government has to eliminating agricultural subsidies.

• (1350)

Canadian farmers are already at a disadvantage with their U.S. counterparts. Interest rates are lower in the U.S., and fuel costs, fertilizer costs, feed prices, and machinery parts are also lower in the U.S. than in Canada. There is little chance that our farmers would be able to compete with supply management if our safety net programs were entirely dismantled at the GATT.

Therefore, the federal government must stand steadfast in supporting our farmers. Prices for commodities have to reflect the costs Canadian farmers incur to produce their goods. Supply management has consistently provided a sufficient supply with a reasonable return for the farmer. The system works to protect the farmer and the consumer by tying prices to the average costs incurred by the most efficient producers and limiting production to estimates of domestic consumption. Thus, Canadians obtain a stable supply at fair prices. Without supply management, this relationship would end and so would Canadian agriculture.

In an editorial on October 30, 1990, *The Ottawa Citizen* discussed the need for international agricultural reform and the elimination of inefficiency in agriculture. However, it is also said that Canada should not give away the farm. The article pointed out that the Canadian consumer may well rejoice if, as a result of marketing boards being eliminated, the price of chicken fell. The article quickly noted, however, that the consumer would be less satisfied if market forces pushed the price of a drumstick beyond the budget of an average income family.

In conclusion, I have concentrated my remarks on the issue of supply management. I did so because I believe its future is interconnected to the future of agriculture in Canada. The federal government has both a moral duty and a responsibility to preserve the Canadian family farm and the rural landscape of Canada. It has the even greater task of protecting our economy and the welfare of Canadians. In the final analysis, whatever happens at GATT, Canadians will not forgive this government, should it relegate Canadian agriculture to a shadow of its historical past, and its present contribution to the well-being of our economy, our farmers, and our country.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I appreciate the fact that the hon. member made his speech largely on the subject of supply management. However, I would like to ask him a question pertaining to some of the other aspects of the GATT negotiation process and Canadian agriculture.

It is no secret that the Liberal Party, which he represents, has had trouble winning seats in western Canada through the years, and there are lots of reasons for that. One reason given by the farm community was that the Liberal Party was seen as one of the forces which undermined the historic Crow rate for the movement of Canadian grain.

With the changes that were made under the Western Grain Transportation Act, the system was somewhat changed, but the principle of paying the railroads rather than paying the producers was maintained. However, now we see a situation, both in the GATT negotiations and in the task force report, where a process is under way to dramatically change the regime by which the Crow benefit is distributed and farmers fear it will be eliminated completely. This clearly seems to be the long-term agenda of the bureaucrats of the Departments of Transport and Agriculture and supported by two successive governments.

I appreciate that the hon. member is not a westerner, but I was wondering what the position of the Liberal Party is on this very important question, arising from the GATT and the task force. Does the Liberal Party support a continuation of paying the railways under the Crow or would the Liberal Party go along with the government's agenda to make some dramatic changes to that?

Mr. Kilger: Madam Speaker, I thank my colleague from the New Democratic Party for his question. I am glad that he also recognized that being a member from eastern Ontario, I will not pretend to my colleagues in this Chamber, or to Canadian farmers whom we are discussing today, that the issue of the Crow rate, which you mentioned as being a western issue, is something on which I would say I am an expert.

I certainly think it merits a close review, but I think it is another of those issues which across the country has created a tremendous amount of anxiety in the farming community.

Although I welcome the question I certainly recognize I cannot answer it to your satisfaction. Farming is a serious issue, and I know all members taking part today recognize that fact. I will not speak to it, not being well versed on it, but certainly I recognize it is an issue of great concern to people in western Canada and the farming community. It is one of those items that is causing a tremendous amount of anxiety for our farming community. I certainly would hope that the government and all members would look at it very closely.

Hon. John C. Crosbie (Minister for International Trade): Madam Speaker, I am in a statesmanlike mood today.

Mr. Gauthier: Are you? That's nice.

Mr. Crosbie: I am very pleased to see that the subject of the MTN negotiations of the Uruguay round is being debated in the House. The Liberal opposition, I believe, introduced this motion and they should be congratulated on at last, after four years, showing some interest in this subject.

I am happy to be able to say that I can find nothing offensive in this resolution that we are debating. This is most unusual. This is the first time I have ever looked at a Liberal resolution and found nothing offensive in it.

Mr. Dionne: Time for you to sit down then.

Mr. Crosbie: What the House urges is that in the GATT negotiations and in our economic policies, we recognize the essential role played by farmers in maintaining the Canadian way of life. There's certainly no question about that. It is a central feature of our policy.

It urges the government to uphold the principles of supply management. Madam Speaker, ever since we assumed office, we have been assuring and reassuring the Canadian farmer who is involved in the supply management farming industries that we intend to uphold the principles of supply management. This is exactly what we have done in our offer tabled in the first half of October at Geneva in complying with our obligations in the MTN negotiations. We are doing that.

Then it urges us to maintain the safety nets to provide a stable and fair return for all sectors involved in food production, another central feature of our policy. As a matter of fact the Minister of Agriculture at present has a major study under way in co-operation with all facets of the farming industry to ensure policies and principles to provide for a stable and fair return in all of those sectors.

It urges us to adopt policies encouraging sustainable development of farming practices—that is a given—and to recognize the vital role played by agricultural communities in the over-all economy and the well-being of all Canadians, which is another well-recognized principle to which we subscribe.

This is a resolution which we can support without any difficulty.

Madam Speaker, I believe that the Uruguay round of the multilateral trade negotiations is the most important single economic decision-making event that will take place in the 1990s—or at least as far as one can see ahead in the 1990s. There is no more important set of economic events being decided than the Uruguay round, which is going to conclude in the first week of December in Brussels, after a four-year period of intensive negotiation on 15 subjects.

I have not the time to go into all 15 subjects of course today, and we are mainly interested in agriculture this afternoon. But one of the most important sectors of the 15 being discussed—the most important I think it is fair to say—is the agricultural sector.

• (1400)

It is widely agreed by those participating in the negotiations that, unless there is a satisfactory resolution of the agricultural issues, there will be no satisfactory ending to the Uruguay round in December in Brussels. In other words, some of the more important trading nations involved in these discussions, including the United States and all members of the Cairns Group and I think most of the representatives of developing world, are determined that agriculture is to be brought under the system of GATT rules so that some principles of fairness and equity apply in the world agricultural trading sector, which is not now the case.

There have been efforts in the past to deal with agricultural trade, but they have been largely unsuccessful in dealing with non-tariff import barriers and the question of subsidies, and in particular export subsidies.

Many areas of agriculture are not subject to effective GATT rules at all.

As we all know, the United States has had a waiver in many of these areas since 1954 or 1955. The offer we have made in the GATT negotiations, of course, is subject to all of this being removed. We will not sustain our offer, for example, if there was any suggestion that the waiver the United States now has is to continue in the future. Our offer is made subject to certain conditions being met.

What is our offer? It is an initial and conditional offer, conditional on other countries agreeing to negotiate a substantial agricultural trade reform package with concrete benefits for our own agriculture. It is designed to achieve, over a 10-year period, an end to the international subsidy war through total elimination and prohibition of export subsidies. That is the first objective.

It is sad to report that as of today, November 2, the European Community has found itself unable to agree on any proposal to table at Geneva with reference to agriculture, despite the agreement of all the countries involved in these negotiations that by October 15 every country should table its offer on agriculture. As at November 2, the European Community is unable to table any offer.

An offer that was proposed by Mr. MacSharry, Commissioner of Agriculture for the European Community, I think about two months ago and was found to be totally inadequate by the United States, ourselves, and other members of the Cairns Group. It amounted to perhaps a 30 per cent reduction in trade distorting support for agriculture over a base period that started in 1986. In effect, they were only proposing a 13 per cent to 17 per cent reduction in subsidies for agriculture.

Everyone involved, except the European Community, agreed that that offer was totally unsatisfactory and it has not been agreed to by even the 12 members of the European Community. Germany and France, in particular, have refused to approve even that kind of an inadequate offer by the European Community,. The result is that the result that the European Community is going to meet again on Monday to decide whether they will approve an offer at all.

It is quite obvious, if the European Community does not come up with an offer shortly, at least something that can be discussed, that the whole structure of these MTN discussions may collapse. The European Community, if not the most powerful economic block in the world, is certainly one the of the two leading economic powers of the world. If the EC does not produce some kind of an offer shortly, then this is affecting negotiations in the other 14 sectors.

I presume the morale of the people involved is starting to disappear because they all know what I and anyone who studies this subject knows that, if there is not some kind of progress in agriculture, there will be no progress in any of those areas. If there is a failure of this round, I envisage that the 1990s are going to be much more difficult for every country involved in the world trading system than may already be projected.

A failure of these negotiations will result in trade chaos, the formation of trade blocs, in hurricane-like increases, and protectionist devices. We have already seen all kinds of resort to protectionist devices in various parts of the world, including the United States, the world's most important market. There will be a hurricane-like increase if these talks fail. There will be a tremendous increase in unilateral action or unilateralism as it is known in the MTN.

There will be a tremendous increase in bully-boy tactics by the giants of the world economic and trading system who, of course, if unrestrained by rules, are going to exert their influence through raw economic power. That is why, Madam Speaker, it is so important to us that we have a successful conclusion to this round. When the battle that depends simply on raw economic power commences, then we are not among the leading nations of the world in that respect. We are a middle-ranking nation. We are an importing trading nation, far beyond our size. One-third of our GNP is dependent upon trade, so we are very dependent for our prosperity on a properly functioning world trading system with clearly recognized rules that we can appeal to when the giants attempt to bully us around. That is the importance of the new rule-making system which we are having great success with and with the new system that would apply if this round is successful with reference to the acceptance and enforcement of panels. A lot of progress has been

made in those areas which is why we must settle this thorny issue of agriculture.

With respect to our own agricultural offer which I referred to, one objective is the question of export subsidies. One of the difficulties with the European Community is that the European Community appears determined not to agree to any restrictions with respect to export subsidies. If the European Community is not going to agree to any restriction on its right to give the tremendous export subsidies it is now giving its grain and other farmers, then Canada is going to continue to be savaged in the competition between the EC, the U.S., and others through the use of export subsidies. That is one objective.

The second objective is greater market orientation through a reduction of up to 50 per cent in trade distorting, internal subsidies, combined with clearer rules on what is to constitute non-countervailable or non-trade distorting support for agriculture. This is most important.

It is not all internal subsidies, Madam Speaker. It is trade distorting internal subsidies and clear rules. What kind of support can you give which will not be subject to countervail and will be non-trade distorting? That is to be decided in this round, some clear rules on those subjects.

Our third objective is improved market access through a one-third reduction of normal tariffs, resulting on bound rates no higher than 20 per cent.

The final, major objective is greater security for supply management through a strengthened and clarified Article XI of the GATT, in accordance with the proposal we made in March of this year, and which would include minimum market access levels pursuant to our international obligations.

A strengthened and clarified Article XI is needed if our dairy farmers are to be properly protected with the supply management system we now have. They know and understand that. The *status quo* will not adequately protect Canadian dairy farmers today. That is why it is so important that we reach success in these negotiations. That is an additional reason. Without a strengthened and clarified Article XI, a GATT panel has already indicated that dairy farmers are going to be in difficulty as a result of an interpretation of the present rules of the GATT.

• (1410)

With respect to minimum market access levels, all that has been suggested is that, over a 10-year period, the minimum market access levels with respect to supply management programs would increase to 5 per cent of the domestic market. I do not have the time to go into detail and I think all members are familiar with it. It has had a good reception.

The hon. member referred to the *The Ottawa Citizen* editorial of October 30. It states:

> As such, the Canadian government's bargaining position on agricultural trade in the multilateral trade talks now underway makes good sense.

That is the opinion of the editorial writers of *The Ottawa Citizen*.

There has been criticism from some of the representatives of the dairy industry, although they have been muted in their criticism compared to the kind of protest they can make when they are really upset about a particular issue. Naturally, in their public statements, they are going to put forward what appears to be a perfect position for the dairy farmers, just as the brewery workers would put forward what would be a perfect position for them, or the beef cattle farmers for them, or the fishermen for them. They would like perfection, but they know that perfection is not possible in the world that we live in. One must accept trade-offs and compromises so long as they are ones that leave fundamental principles still protected.

There is widespread support of the fact that we have been able to put in an offer which is good for both of the main sectors of our farming industry: the farm exporting interests in grain, beef cattle, pork, and the like, which are very badly damaged at the present time by export subsidies; and the supply management sector, such as dairy and poultry products in particular, which are the beneficiaries of our supply management system and who want it to be continued in the future, just as the government wants it to be continued in the future.

I can quote the October 23, 1990 release of the Canadian Cattlemen's Association which states that our offer is "a good start to a more balanced world in which to trade". It has stated that it is a well balanced offer.

Mr. Albert Chambers of the Canadian Chicken Marketing Agency, on October 16, 1990 said:

> Poultry and egg producers would have little or nothing to complain about.

Mr. Knoerr of the Canadian Federation of Agriculture, on October 16, 1990, said the national farm group "strongly supports the main thrust of the proposals" in an article in *The Ottawa Citizen*.

On October 16, 1990, a press release from Dairy Farmers of Canada, with regard to Article XI stated:

> —the position tabled by the federal government is fully supportive of the recommendation of Dairy Farmers of Canada.

The Quebec government issued a press release quite supportive of our position. Even the UPA and the *Co-op Fédérée de Québec* thought that our offer was a positive evolution. They have areas of concern but generally speaking, they have been positive and the Quebec government has been supportive.

We are off to a good start insofar as our position is concerned. The United States has made a proposal which would go further than ours with reference to export subsidies. As I say, the European Community does not even want to discuss the elimination or any reduction in import subsidy levels at all. One can see that there is still a tremendous gap in the positions of those who have to reach an agreement within five weeks.

The government is providing unprecedented support to our farmers. Between 1984 and 1989, direct and indirect federal expenditures in the agricultural sector totalled about $22 billion. Some $12 billion has gone to hard-pressed grain, that is, the grain and oilseed sectors, to compensate for the low prices caused by the subsidy war. That was one of the main items, but $22 billion altogether. This is certainly more than adequate proof that the principles expressed in this resolution had been accepted and acted on by the government.

The price tag of this trade war is tremendously high world-wide. The OECD showed in 1989 the member countries of the OECD spent $245 billion U.S. in transfers to agriculture. In the European Community it was $90 billion just about; in the U.S., $66.6 billion; Japan, $59 billion and in that same year in Canada we spent $7 billion.

As a trading nation, we cannot afford to have this kind of war continuing. It is not a war that we can win. Fifty per cent of our total agriculture receipts come from export trade. That dependence is most crucial in the grains and oilseeds sector where 70 to 80 per cent of receipts come from their exports. That is why in our offer we have tried to be balanced and comprehensive, to achieve both long term benefits for our export industries and long term benefits for our farming industries that come under supply management.

If we can have this position of ours accepted in the next five weeks, there will have been a major step forward for Canada both respect to our economic health generally and the economic health of the Canadian farming community. I would certainly be glad of any support that members of the House on all sides can give to our success in trying to get the fundamentals of this offer accepted by the other countries involved.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, I listened carefully to the Minister when he referred to a letter from the Quebec farmers union supporting the Canadian government's representations on their behalf.

I would like to ask the Minister whether he quoted exactly what the President of the Quebec farmers union said in his letter. I had the opportunity, in the last few days, to meet him at the Bélanger-Campeau Commission in Quebec and he was absolutely furious and insulted at having been misquoted in this House by the Minister of State for Agriculture, the hon. member for Montmagny. In reply to harsh criticism by opposition members, the Minister defended himself by saying that Mr. Proulx, the President of the Quebec farmers union, wrote in a letter that the union approved the government's action when, in fact, he repeated their concerns about the representations made by the Canadian government at the GATT which, if they do not succeed, can threaten the future of Quebec agriculture. The union has often wondered whether the government was acting in good faith at the GATT talks.

At other times, it questioned the objectivity and even the strategy of the Canadian negotiating team at the GATT, which it believes is clearly doomed to failure. Even if the Minister tries, in his report today in this House, to make us believe his representations will

succeed, the harsh reality is that they probably will not bring about the protection demanded by the farmers.

• (1420)

So it is one thing to tell the minister, yes, we hope you will succeed and that farm support programs will remain. But it is something else again to see the government really get ahead at the GATT negotiations in ensuring the protection farmers want and we wish on this side of the House of Commons.

So when the minister quotes a letter from the Quebec association, UPA, I would appreciate it if he would report exactly what was said and not leave the impression he got a blank cheque from the Union, when in fact they express strong reservations about the Canadian government's initiative at the GATT negotiations.

[*English*]

Mr. Crosbie: Madam Speaker I have not quoted any letter from the UPA. If the hon. gentleman had listened to me attentively as he should have, he would have heard me say that the joint press release by Mr. Prolix and Mr. Pelletier was generally positive. I said that the two presidents saw our Canadian offer as a positive evolution. I went on to say, of course they did not approve the total offer. There were some areas of criticism by them. I explained how, even if your offer was perfect, it would never be perfect enough to get the full support of the group in question because they are looking for perfection and they want 100 per cent in a world where you are never going to get 100 per cent.

I do not want to repeat all of that, but generally speaking their reaction has been moderate and positive. That is my interpretation. There are certain things they do not like as well. They do not like the 5 per cent minimal access level proposed for the dairy sector over 10 years. If all our other objectives are achieved and the rest of the world does away with the inequitable situation that now exists and the United States does away with its waiver and we are successful over 10 years, we would give a 5 per cent minimal access level for the dairy sector. They do not like that.

How are we to achieve any of these objectives if we are not prepared to give anywhere? They are not the negotiators. The do not have the responsibility, so they can be out there representing their pressure group as lobbyists and, of course, demand perfection, knowing that if they were in our shoes they would have to do exactly the same. You have to give something to get something.

We cannot say to the rest of the world: "Recognize supply management, strengthen the wording as we want it strengthened in article XI(2)(1) and do what we want in that area, but we are not going to give you any increased access at all, even over the next 10 years, no matter what you do with respect to the dairy sector". No one in the rest of the world is going to buy that. Our provision here is reasonable, but they say they do not agree with it. I cannot criticize them for taking the absolute position on behalf of their clients. What else would you expect them to take? I have nothing to apologize for. I think I have described quite correctly the situation.

There is a negotiation on, and unless Canada is not to participate, unless we are to say that we, as one of the 100 nations that belong to GATT, are not going to engage in this negotiation, then we have got to take risks. Those who are worried about what the results may be will just have to wait and see.

We already have a position in agriculture, supported right across this country despite the many conflicting interests in the agricultural and farming community across this country, and we have a couple of very brilliant negotiators in charge of this, Mr. Germain Denis, who is in charge of our MTN negotiations under the supervision of Gerry Shannon, the former deputy minister, Mr. Mike Gifford, and others from the Department of Agriculture.

We have the assistance of the Minister of Agriculture, whom I hope to have in Brussels with me during the final week, as well as the Minister of State for Agriculture who is very attentive on behalf of the Quebec farmer.

Mr. Gauthier: Oh, let me hold your hand.

Mr. Crosbie: I was going to say with cows you might hold something else.

We also have the Minister of State for Agriculture, the minister in charge of the Wheat Board. I am going to have lots of help. I have no doubt I will be under intense surveillance.

Mr. Gauthier: As you should.

Mr. Crosbie: As should rightly be the case.

We are aware that Mr. Proulx does not approve 100 per cent of what we are doing. I think we would be hearing a lot more from him if basically they did not think we were on the right track.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I appreciate the tone of statesmanship which the minister has adopted here, and recognized that we do have a common interest in reducing the very vicious export subsidy war which has been going on.

However, the supply management sector in this country, I think, really is starting to feel like the black knight in the Monty Python movie that is losing one limb at a time and keeps trying to dance on the road as his limbs disappear.

Certainly, the effect of free trade and the opening up of the imports into the supply management sector is becoming more and more clear.

Right up front, we are offering to increase imports under the GATT. This is creating pressure from our own processors in this country as well letting loose a real howl in the media: an attack on the supply management system.

I would like to ask the minister specifically why the Canadian government agreed to adopt a producers subsidy equivalent system of evaluating subsidies, because what it has done is to include the benefits of supply management, which are actually derived from the marketplace, and instead portray them as a subsidy not only in the trade negotiations but to our own public which is examining this and following this debate.

Why has the Canadian government taken that approach which very much distorts the picture? Second, why is the government putting the accrual benefit on the table at the GATT when in fact nobody is asking us to get rid of it, or to seriously alter it?

Mr. Crosbie: Madam Speaker, of course at the GATT, all measures of assistance in the agricultural field are being examined.

It was determined by the negotiating group on agriculture and its chairman that by October 1 each country would table its base line data on agriculture. The answer had to be prepared following guidelines that the chairman defined. Of course, that is what we did. That is without prejudice as to whether or not we agree with these particular guidelines. We do not, and we have made that clear. of them we agree with. Some of them we do not agree with. That was clearly stated when we submitted the data, and I quote: "It is without prejudice to the negotiating positions of the participants or to the outcome of the negotiations." There will be a whole negotiation on qualifications, conditions, what is a trade distorting subsidy, what is not, what is a green measure and what is a non-green measure.

We are not at all prejudiced in our approach by responding with the information requested by the chairman of the negotiating committee.

On the Crow benefit, that will have to be examined like every other program of assistance in the agricultural field to see if it is a green measure or a non-green measure. Some of it might be green and some of it might be non-green.

If it has to be changed in any way, the benefit will continue. We are committed to the Crow benefit as a historic benefit to the agri-food industry on the prairies. We are committed that the benefit will continue, but how the benefit is delivered is open for discussion here and in Geneva. If one way of delivering it is agreed to be trade distorting, we will find another way to deliver it. The benefit itself is going to be continued, although the method of delivering it might have to be changed, depending on the outcome of these negotiations. I think that is clear enough.

• (1430)

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, in part the motion before the House reads:

> That this House urge that in the upcoming GATT negotiations and in over-all economic policies, the government recognize the essential role played by farmers in maintaining the Canadian way of life—

I think that it is an excellent motion and that the tenor of debate in support of the motion in the House today from all parties, I might add, is heartening indeed.

At the outset I want to say that my colleagues and I in the New Democratic Party opposition certainly give our full support to the Minister of Agriculture and to the

Minister for International Trade in the very difficult role they have to play in these upcoming GATT negotiations.

We recognize the fact that we are playing in many respects in a global agricultural marketplace and that certain concessions have to be made. It is a difficult role. I understand that there are many pressures from all sectors of the agricultural community in terms of preserving what they perceive to be necessary structures and necessary supports in order to ensure the continued vitality of the industry.

However, we do have some concerns with regard to perhaps matters of interpretation and matters of definition and what constitutes an unfair trade subsidy or a distorting trade subsidy. We have some concerns, quite frankly, about the fact that Canada in many ways seems to be between a rock and a hard place with respect to the negotiations going on in GATT, the severe pressure put upon Canada by its U.S. neighbour, and the situation that we face with countervailable sanctions through the free trade agreement.

I would like to go into some of those arguments and try as best I can to put into perspective some of those concerns. However, before I do, I would like to give a brief perspective in terms of the nature of the industry that we are actually dealing with in Canada. Many Canadians do not really recognize the importance of the agricultural industry to our economy and to our way of life.

Today there are about 35,000 dairy farms in Canada, with each farm supporting at least two families. There are about 25,000 Canadians working in the dairy industry in about 400 plants right across the country. Speaking specifically of the dairy industry, we produce about 7.6 billion litres of milk annually. Dairy farming in Canada, as only one sector of our agricultural community, represents close to $3.8 billion in farm sales and contributes a significant portion to our Gross Domestic Product, about $7 billion.

That is only one sector of our agricultural community, a very important sector and a sector which I submit may be significantly affected by the decisions made either through GATT or by the bilateral panel on negotiations through the free trade agreement.

One thing that is very clear to all members of the House is that we do have a growing crisis in agriculture. We can talk about the grain lying in the field in Saskatchewan, because although we have record harvests we cannot sell it. This is a direct result of the devastating export subsidy warfare that has been promulgated by the United States and the European Community. Quite frankly Canadian agriculture has been left in tatters as a result of that warfare.

There is no question. I totally agree with the minister that we have to try to eliminate those unfair export subsidy concessions. Frankly we cannot play in that kind of ball game. We do not have the productive capacity or the economic capacity to be able to sustain that kind of an economic onslaught.

We have a problem in agriculture in Canada. It is a crisis that has been deepening since 1984. In one year alone, 1987–1988, we lost 24,000 jobs in our agricultural community. The farm debt in Canada now exceeds some $22 billion according to 1989 figures. Independent of what sector of the agricultural community they work in, about one-third of all farmers are facing very serious debt and the possibility of bankruptcy. Many of them are on the verge of bankruptcy or have gone bankrupt. One out of five farmers on family farms in Canada are living in virtual poverty.

Those are very sobering figures which certainly bring into question the kinds of policies followed over the last eight or ten years in terms of the commitment this institution must make to our agricultural community.

In 1961, just about 30 years ago, we had 480,000 farms in Canada. But, as of 1986, that number was reduced to less than 293,000 viable farms. That is a staggering loss in that economic sector. As a result, our rural communities are losing a very important economic base. They are losing a way of life. That is most disturbing.

We have seen an alarming trend developing as a result of the policies of this administration, a trend that favours the free market agenda, the corporate agenda, bowing to the shrine of the global free marketplace. We have seen the cancellation of farm subsidies; the abolition of interest-free loans; an increase in the federal surtax on agricultural goods; and high interest rates, which of

course have been most devastating to our farmers, particularly younger farmers who have had to carry a high debt load getting into the business and trying to expand their operations.

We have seen the impact of outrageous exchange rates between Canada and the U.S. and the difficulties that has created, not only in agriculture but in virtually all export sectors. With the 7 per cent goods and services tax, all of these things are adding up to some very difficult times indeed for our agricultural communities.

We have seen a slow capitulation of this government to repeated U.S. demands to reduce market support mechanisms in agriculture. That was enshrined in the free trade agreement that is now into its second year.

I just want to read Article 701 of the free trade agreement signed by both countries, regarding agricultural subsidies:

> The Parties agree that their primary goal with respect to agricultural subsidies is to achieve, on a global basis, the elimination of all subsidies which distort agricultural trade, and the Parties agree to work together to achieve this goal,

That sounds very honourable. On the surface I do not think most people would find much to object to, except when you try to determine what this definition of a "market distorting subsidy" actually implies. We get into difficulty there because we see that Canada's marketing board structure has been fingered by the United States agribusiness sector as a trade distorting subsidy. That is a challenge they submitted previous to this. If that means that Canada is committed through this agreement to eliminating that kind of a "trade distorting subsidy", it spells real problems for our farmers and particularly for our dairy farmers.

If the United States fails to secure the reductions in terms of internal subsidies through the current Uruguay Round of the General Agreement on Tariffs and Trade, the GATT negotiations we have been talking about, it will likely continue to go after Canadian marketing boards through the bilateral dispute settlement mechanism under the free trade agreement. If it does not get us in GATT, it will likely attempt to get us through the FTA.

• (1440)

I want to read from another article in the Canada–U.S. Free Trade Agreement. This section is Article 703, "Market Access for Agriculture". It reads:

> In order to facilitate trade in agricultural goods, the Parties shall work together to improve access to each other's markets through the elimination or reduction of import barriers.

We are looking at a statement which basically says to open up the process to give opportunity for improved access to each other's markets.

When we think of it in terms of the capacity of the U.S. agricultural industry and the small capacity of the Canadian industry in perspective, what that may very well lead to is a virtual swamping of our Canadian markets with cheap U.S. agricultural goods.

We have already seen a virtual exodus on a daily basis of consumers in border towns across Canada leaving Canada to go shopping down in the United States to pick up dairy products, cheap gasoline and then come back into Canada. We cannot blame people for trying to find the best value for their dollar, but I am sure that when Canadian shoppers go down to the United States to spend their millions of dollars daily in its markets picking up those cheaper products, they are not thinking about the impact it has on our own agricultural industry and dairy sector, how it affects the jobs in that sector or how it affects our tax base. I certainly do not blame them for trying to find good value, but it is having a devastating effect on our own domestic economies.

If we open up our borders in that respect and guarantee a freer access, we are going to be running into some very difficult times in terms of the restructuring of the agricultural industry in Canada because of competition with U.S. products.

We could well become, I submit, a dumping ground for the excess U.S. capacity because the system down there is a little different. They do not control production. They subsidize the cost of production and can run into very large excesses of dairy products, for example butter which has to be dumped somewhere. What a convenient dumping ground it would be to have Canadian borders open and free to accept those products.

The Macdonald Commission which was struck sometime ago, before the free trade agreement was brought into effect, recommended that agriculture as an economic sector be excluded from the free trade agreement. As a matter of fact, as we all know, history has written that

this government ignored that recommendation and included agriculture as an important component in the FTA.

Through that, the United States won some major concessions. It won the reduction of the powers of the Canadian Wheat Board. It won the removal of transportation subsidies in Canada. It won the phase-out of tariffs. It won on a number of fronts.

To give a good example of the almost immediate overnight impact of the free trade agreement in terms of Canadian agriculture, it was the grape growing industry, particularly in British Columbia, involving virtually thousands of acres of prime agricultural grape growing. Virtually the grapes were torn out of the ground and the land was left to lay fallow because the industry could not compete with the changes brought about by the free trade agreement. It is true that there has been somewhat of a comeback in certain grape varieties, but certainly it is not the vibrant industry it was before the free trade agreement came into effect.

In many ways our agricultural markets may simply become niche markets that will supply specialty products but will not have the capacity that they should have to supply the Canadian consumer with Canadian products.

Having won those concessions through the free trade agreement, I submit that the U.S. is now intent on including the dairy industry in future negotiations. It essentially said that in the FTA, although dairy sort of escaped the first round of negotiations, they intend to include the dairy industry in any future rounds of negotiations. I ask, Madam Speaker, whether the inclusion of the Canadian dairy industry in future negotiations may be a possible precedent for Canada's participation in the trilateral negotiations that are now going on between the U.S., Mexico, and Canada, which has indicated that it wishes to participate. Is this going to be one of the concessions we have to make?

I want to point out, Madam Speaker, that the American farm bureau concluded that, with regard to the free trade agreement, once tariffs were removed American grains, bakery goods, poultry, eggs and milk products will gain substantial access to Canadian markets and undermine the marketing board system.

There is no question that our way of doing business in terms of Canadian agriculture is being jeopardized, not only by the free trade agreement, but also by the current negotiations that are taking place right now in the General Agreement on Tariffs and Trades.

I can recall back before I was elected, listening to one of the free trade policy advisers for the current minister of trade when they were out in the Okanagan. This gentleman was a specialist in agricultural negotiations and he was being pressed by the farmers pretty strongly as to why this government was committing agriculture to the free trade discussions. He said, and I wrote it down at the time: "When it comes right down to it, some things are more important politically than they are economically".

Madam Speaker, to me that says that this government at that time was willing to sacrifice the Canadian agricultural industry for political expediency. I think that is proving itself to be the case.

We have seen the phase-out of many of the controls and protections for our agricultural industry. If it continues unabated through GATT or through the FTA it could very well spell the demise of the industry. The truth of the matter is that—and we often hear this phrase touted—there has to be a level playing field, but there is no level playing field when it comes to agriculture.

There are a number of reasons. We are a northern climate and have a shorter growing season. It is more difficult and more costly for us to produce on a per-unit basis than, for example, a farmer in Florida or California. We have higher labour rates. The geography of the country and the fact that we are such a massive country with such a small population means that transportation costs are higher.

These factors mitigate against the concept of a level playing field, and make essential the necessity for certain market structures to continue to exist in the Canadian agricultural industry if it in fact wishes to survive.

The United States has basically been calling for free trade in agriculture. As I mentioned before, we have seen the devastating trade wars that are taking place between the United States and the European community. They have to stop. There is no question about it. We

support any measures that the government can implement in order to eliminate those trade wars.

At the same time I have to caution that in doing so, we cannot be entrapped into capitulating the future of our marketing boards in order to secure a negotiation.

The United States has been most vociferous in calling for the elimination of subsidization in the agriculture community. When we look at the U.S. system, we find that it is virtually awash in subsidies at the producer level. I would suggest to the Minister for International Trade and the Minister of Agriculture that if the United States wants to play ball in terms of eliminating international warfare in trade subsidies, they call upon the United States to remove the kind of market subsidies that are rampant in the U.S. industry.

• (1450)

Madam Speaker, I am going to skip over some of the other points that I had wanted to make, and in summary say that the members on this side of the House sympathize with the difficult position of the Minister of Agriculture and the Minister for International Trade when it comes to these international negotiations. We wish to see a successful conclusion of the negotiations, but we do not wish to see those negotiations meaning a capitulation of Canada's historical perspective in terms of its commitment to agriculture and its commitment to maintaining the market structures that are now in place.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Madam Speaker, the hon. member for Okanagan—Shuswap said—and I did check his remarks—that the goods and services tax would apply to the agricultural sector when in fact it will be exempted. Everybody knows that. He also said that the structures must remain in the agricultural sector.

I must say that the Minister of Agriculture met with Mr. Proulx of the *Union des producteurs agricoles* in Montreal and these people are satisfied with the way Canadian government officials are handling the negotiations. They are giving priority to GATT multilateral trade negotiations because they provide greater security for the supply management system by strengthening and clarifying GATT Article XI which covers minimum access to the Canadian market.

Unless I am mistaken, my colleague also spoke in favour of these GATT negotiations, so I have a question for him. Considering that for years now the Canadian agricultural sector has been one of the major beneficiaries of the export trade, and assuming he wants to maintain the markets we have with other countries, where does he think the Canadian government ought to put its priorities in the GATT negotiations?

[*English*]

Mr. MacWilliam: Madam Speaker, I think the member raises some valid points. I am concerned with Canada's position in the GATT negotiations, because it is basically offering to open the door essentially to a phase-out of trade distorting subsidies. The essence of the problem is how do we define those trade distorting subsidies. Who is going to make that determination? In fact, as I have said earlier on, the United States has already fingered the concept of our marketing board structures as being such a subsidy.

We say that we are going to open the door, we are going to make these concessions by phasing out these kinds of structures, and at the same time, through Article XI we are trying to beef up the security for the marketing board structures. We are in a philosophical catch 22. On the one hand we are capitulating, and on the other hand we are saying that we need greater security through Article XI for our marketing boards.

The question is, how can we open it up on the one hand and then strengthen it on the other. That is the kind of philosophical quandary that this government finds itself in. There is no question that Canadian agriculture should be seeking to expand its markets, as the member had asked.

For example, when I was in South Korea last fall as part of an interparliamentary trade delegation, I found there were many opportunities, not only in the agricultural sector but also in our softwood lumber sector. These were opportunities for development of niche markets in the Pacific-Asia market area. This applies to Korea, in particular, because its economy is changing rapidly and very dynamically. We need an aggressive marketing presence for our agricultural commodities. We still have some difficulties with South Korea having its own tariff structures and, quite naturally, wanting to

protect its own industries. There are certainly opportunities there.

We must certainly look abroad. One of the difficulties I have with the Canada–U.S. Free Trade Agreement is that it focuses on commerce between the two nations. We have no argument with the concept of freer trade, whether it be on a sectoral basis or on a general basis. The reduction of exposed tariff structures should be accommodated. At the same time, we should be looking at reducing those barriers as we are trying to do through GATT on a multilateral basis, so that we can expand our agricultural markets into those other areas rather than just focusing on the U.S. market.

When one looks at the capacity of the United States agricultural industry and looks at the capacity of the Canadian industry, it does not require a rocket scientist to figure out who is going to be the winner and who is going to be the loser.

Mr. Murray Cardiff (Parliamentary Secretary to the Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Madam Speaker, I would like to clarify the New Democratic Party's position on this subject. I felt they would always be supportive of the GATT as a body to help us establish world trading order. Is that the position of the New Democratic Party?

Also, do they not agree that if we could reduce, over a period of time, the trade distorting subsidies that are prevailing in many other countries of this world, then we could take part in the world marketplace much easier and much more successfully.

Mr. MacWilliam: Madam Speaker, there is no argument from me on that account.

What does concern us is the definition of what constitutes a trade distorting subsidy. If the concept of our marketing board structures is inclusive in that definition, then I say we have gone too far. I do not think that we can dismantle the protective mechanisms that are necessary for controlled and efficient market system that we have developed in Canada. If our marketing board structures are part of that definition as a trade distorting subsidy, then we do not support that. But we do support the elimination of other trade distorting subsidies such as the production subsidies that are given to the U.S. market. When one looks at the U.S. market, many of their subsidies are hidden but they are there. The agriculture community in the United States is awash in subsidies. Those are trade distorting subsidies.

The export subsidy warfare that has been ongoing between the U.S. and the European Common Market has left Canadian agriculture, particularly our grains and oilseeds, in absolute tatters. Those subsidies have to be eliminated.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

THE ECONOMY

SOCIAL OWNERSHIP

Mr. Steven W. Langdon (Essex—Windsor) moved:

That, in the opinion of this House, the government should consider the advisability of protecting and extending the important role of social ownership in the economy, in order to achieve the social goals of full employment, regional equity, technological development and equality among Canadians.

• (1500)

He said: Madam Speaker, it is a very great pleasure to move this motion to protect and extend the important role of social ownership in the economy which we certainly see in our party as something that is critical to achieving broader social goals of full employment, regional equity, technological development, and equality among Canadians.

Traditionally, when people consider the question of social ownership, they may think that we are hearkening back to the past ideological debates of the 1930s, 1940s and the 1950s; ideological debates which equated social ownership with what we usually call Crown corporations or public ownership. That is an interesting ideological debate. One can certainly make the case, and I would not try to undercut it, that historically Crown corporations have been extremely crucial to our development as a nation. We can see that with respect to everything from the railways back in the 1800s to Petro–Canada in the present day.

It is not that notion or view of social ownership that I want to talk about in the context of this motion. Instead, I want to talk about social ownership as community–based ownership. I want to talk particularly about institutions such as co–operatives and credit unions, and some of the new developments in co–operatives which are not just consumer purchasing co–operatives which have been so important for instance in the west in the past. As I

discuss this motion, I want to talk particularly about producer co-operatives, and, within that context, especially worker co-operatives.

If we take the context of co-operatives as a whole, there are perhaps as many as 12 million Canadians who are members of a co-operative or a credit union, or a *caisse populaire* in Quebec. That is nearly 43 per cent of adult Canadians. More than 60,000 people in fact are directly involved in directing a co-operative system through their activities as volunteer board members.

For instance, I am a member of a credit union and, partly because of my work here, I am not able to be a board member, but I count on the volunteer work of people whom I elect to direct that credit union. The same thing is true of producer co-operatives. The same thing is true of producer co-operatives. The same thing is true of consumer co-operatives right across the country. It is a tremendous area of economic activity which is, in fact, largely ignored in our economic debates.

When we consider that there are 43 per cent of Canadians who are part of this co-operative movement, it seems to me unfortunate that there is not more consideration given to the potential role which co-operatives and credit unions could play.

The total assets of Canadian co-operatives, including financial co-operatives, are $68 billion, so we are not talking about something marginal. We are not talking about something which is playing a very limited role in our economy. We are talking about important institutions which can be so much more important in the future.

For instance, credit unions and *caisses populaires* each year lend approximately $37 billion to their members. The annual revenues of non-financial co-operatives in fact are close to $15 billion. We have co-operatives in marketing. We have co-operatives in food, housing, day care, health care, communication, even funeral services, manufacturing, processing, and so forth.

These co-operatives have a long history in our country. What is exciting are the new challenges which have now been presented to our co-operative movement, which represent the new role that exists for this form of social ownership within our country.

For instance, Laird Hunter from the Canadian Co-operative Association testified last year to a parliamentary committee on Bill C-21. He indicated—this is an especially important point—that increasingly those interested in worker co-operative development are concerning themselves with the contribution that worker co-operative buy-outs might be able to make in plant shutdown situations. He went on to say: "Given the uncertain future of many sectors, Canada's manufacturing base, the Canadian Co-operative Association strongly believes that, as amendments are considered to legislation relevant to worker co-operative development, provisions facilitating the growth of worker co-operative sectors should be considered."

That is the thrust of my argument today. In the context of a recession and wide-spread plant shutdowns throughout the country, we have to recognize that there is a potential for workers if the legislation helps them and if the financial support is provided through institutions and through government to make it possible. It is not in all cases, and probably not even in most cases, but in a significant number of cases. There is the capacity for workers to be able to provide a response to the problems that plant shutdowns bring, not just to them personally, but to their communities.

• (1510)

Mr. Laird, in some of his comments went on to note that in looking at worker co-operatives at the present time, there are a great number of such initiatives in the Province of Quebec.

[*Translation*]

Many co-operatives in the province of Quebec exist to establish the feasibility of continuing to operate factories that are in trouble. In fact, the same principle can be applied in other sectors of our economy.

[*English*]

Mr. Laird suggested that one can see these initiatives in the delivery business. On the west coast, there are a number of instances in manufacturing. He said that, increasingly, the co-operative system as a whole is being asked for assistance with this kind of endeavour.

If we look at worker co-operatives as a whole, there are approximately, at this time in Canada, 15,000 workers who are members of such worker co-operatives, with about $300 million in annual sales. That means that we have approximately 400 worker co-operatives across the country.

These have been in Canada since the 1940s and they can be seen in such areas as heavy equipment repairs, textiles and furs, industry and wood-cutting, market gardening, building trades, and maintenance. There are actors, musicians, people in the consulting field, computer programmers, people in the print and electronic media, school bus contractors, people in towing, people in blueberry picking, cedar shingle production, restaurants, graphic art, food processing, bakeries, warehousing, and, of course, retail activities, to mention just a few.

Across the country we have a great many examples of social ownership developing. This motion suggests that it is important to protect and to extend this important role of social ownership. In the time I have left, I want to explain how it can be possible to extend this important role.

A special committee of federal and provincial officials has been meeting during over recent years. I give credit to the federal government for responding in a positive way to the suggestions of the Canadian co-operative movement for such activities. It has not moved as fast as I would have liked it to, but it has taken the issue seriously.

A special committee of federal and provincial officials has recommended three ways by which to improve, preserve, and extend this kind of social ownership. This special committee first has called on governments to provide equality of treatment so that worker co-operatives get the same kind of treatment from our financial institutions that small or medium-sized businesses receive. This would require the amending of some current legislation, some regulations that specifically limit the development of worker co-operatives.

Second, this committee has suggested that government should provide equality of opportunity. In other words, it should ensure that co-operatives are considered in the development and implementation of new programs which the government is putting into effect.

The co-operative movement, for instance, testified when the amendments to the Unemployment Insurance Act were being discussed, and I notice my colleague across the aisle, from Burlington, who was part of this discussion with respect to C-21. At that time the co-operative movement said: "Look, as originally drafted, these changes to the unemployment insurance regulations were not going to make it possible". At least it left it ambiguous whether it would be possible for members of worker co-operatives to use their UIC entitlement, as would be possible for those who were trying to start small enterprises to use that same entitlement to start worker co-operatives.

It has now proven to be the case that it will be possible in some of the regulatory changes which were made as a consequence of the presentations put forward by the Canadian co-operative movement. That is the kind of thing which has to take place to see that we do not have discrimination in regulations, that we have instead equality of opportunity.

Finally, this committee has suggested that governments have to overtly encourage the formation of worker co-ops. It seems to me that this requires what we as a party suggested five years ago in a report which came from an action group, which I co-chaired, called "Jobs Action Group", which aimed to provide some new bottom-up ways to increase employment opportunities, especially in some of the poorer regions of this country. To do that, however, will require some financial commitments on the part of government.

I want to finish my comments today by noting some of the suggestions which have come from the Worker-Ownership Foundation in Toronto which has set out a policy agenda direction in which government should move to provide this kind of financial support. It is something which we in this party certainly endorse very strongly.

I should say, of course, my colleague who is our spokesperson on co-operatives is here. I have to be especially careful that I do not make any mistakes in what I am saying as I carry this argument further.

The suggestion from the Worker-Ownership Foundation is that we need the implementation of a program that provides short term seed financing for specialized technical assistance people to come and work with newly establishing worker co-operatives. We also need the development of a tax credit that will partially offset the

capital gains payable by existing shareholders who sell significant blocks of shares to qualified worker–ownership groups.

• (1520)

We also need the development of a package of flexible debt financing instruments, loan guarantees, low interest loans, et cetera. I think if we move in this direction, the direction of encouraging this kind of social ownership, we will actually establish in this country some new innovations and some new initiatives in terms of bottom–up community development. It will give us new jobs in many parts of the country. It will preserve jobs in many parts of the country. It will give us fairer potential opportunities in many poorer regions of this country. It will, finally, and most important, give a greater sense of worker self–direction in many of the enterprises established through this form of social ownership throughout Canada.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I am very pleased to address the hon. member's motion. The context of my remarks have mainly to do with the broader question of social ownership. I did not realize the hon. member would address a specific aspect, that being co–operatives. But he has, and I would like to respond specifically to some of his remarks.

I believe that his goals are laudable, that is to have people control their own destinies through taking over companies which fail, and so on. He talked about equality of treatment, equality of opportunity and, third, that the government should overtly encourage worker co–operatives or production co–operatives by means of tax credits, flexible debt financing, loan guarantees and so on.

I believe the government could perhaps give them equality of treatment and equality of opportunity through some legislative measures if there is in fact discrimination. It is my belief that there probably is not discrimination. For example, if it means doing something along the lines of the way we fund housing co–ops, then it is just another market distortion means of interfering in the economy.

I would like to take an example of one housing co–op, the Sundance housing co–op in Edmonton. It was built in 1977. It receives no less than four government subsidies. This is fine if we are to provide housing for low and modest income people, but it distorts the housing market when we are providing housing accommodation for those high income people who are earning over $50,000. The four subsidies are a $280,000 outright grant, which is 10 per cent of the mortgage; a preferential 9.5 per cent mortgage, which was given for 50 years; a special, one time only, 1.5 per cent mortgage reduction subsidy for 50 years, which brought the mortgage rate down to 8 per cent; and the fourth subsidy, a $30,000 a year subsidy to the whole project. That is fine. Low income people and modest income people receive a subsidy. Of this $30,000 a year subsidy, people earning over whatever the cut–off rate is, I believe around $22,000, pay a modest surcharge of $72 a month.

A recent study done by CMHC said that 9 per cent of Canadians who live in these housing co–ops earn over $50,000. This is a terrible distortion of the housing market if they are taking advantage of up to four subsidies like are offered in the case of the Sundance housing co–op. If the hon. member is speaking of these types of subsidies when he talks about flexible debt financing, loan guarantees, tax credits and so on, I do not think we want anything.

Further on the matter of the Sundance housing co–op, it is my belief that the high income people should, after a period of time, when their incomes reach 50,000, move on to allow low income people or modest income people to have affordable housing. Thirty–four per cent of the people living in the Sundance housing co–op can afford a mortgage on a modest home. Why is the Government of Canada subsidizing them?

We cannot, with a $30 billion deficit each year on a debt approaching $350 billion, afford to keep subsidizing this and that and everything else. For your information, Mr. Speaker, there is a member of Parliament living in the Sundance housing co–op, the member for Edmonton East. He lives with four other people there, pays as his share less than $200 a month rent. I estimate the rent money that is paid on each unit is one–half of what it would cost in the private sector.

What happens is sometimes a clique develops which really distorts. There is a committee. They pick who comes into the co–op and once again, that is distorting the market. They are laudable goals that the co–operative movement can achieve, but sometimes by perpetuating some of these distortions and abuses of government

programs, people are discrediting the whole co-operative movement.

I would argue that social ownership is no longer the route to go. If a group of workers wants to take over a plant that is closing, they can get together and put together a business plan. They can approach a bank. The bank can lend them money. They can put a management team in place, and that is fine. The government should in no way be involved in giving them preferential treatment to distort the market in order to favour a select group of people.

I was invited two weeks ago today to address the Co-operative Council of Edmonton, Alberta. They have an annual meeting that is made up of 15 members, two of which are housing co-operatives. There are other members, which the hon. member listed. There are credit unions, farm co-operatives, workers co-operatives, consumer co-operatives and so on. Two hours before I was to address them, I received a phone call. I was told I could not address them because I had spoken out against housing co-operatives and they felt it was not appropriate.

In this case, a few members of housing co-operatives who are earning over $50,000 a year were offended that I suggested that they should no longer take advantage of massive government subsidies. They were really offended and said: "No, we do not want you to speak here", even though they were only two out of 15. They were discrediting the whole co-operative movement by such a petty way of approaching what would have been a very rational and reasonable discussion.

I personally support housing co-operatives and other co-operatives. Housing co-operatives are a very good way of providing housing for low and moderate income Canadians, and the Government of Canada should continue to do that. But we should in no way subsidize high income Canadians, including two members of this Chamber, to be the recipient of massive housing co-operatives.

Social ownership has distorted what we want to achieve and we no longer should be involved in this manner. If we want to provide housing support, we should have housing support that is targeted at those in need. There are growing numbers of homeless people and low and moderate income people who need affordable housing.

• (1530)

The co-operative movement should look seriously at what the hon. member is talking about, getting involved and becoming more active, but he should not be asking for government subsidies or loan guarantees or for taxpayers to support them in this manner. We support them in other manners through the unemployment insurance program and so on.

In closing, I would say that social ownership is not what we as Canadians want to achieve. We want the free enterprise system to continue. It has provided a lot of growth. Individual initiative has spurred growth and economic activity.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am thankful for the opportunity to rise and speak on this issue. As the member for Essex—Windsor is probably well aware, there are many worker co-operatives in my riding of Broadview—Greenwood. Carrot Common is one of them, and there are many others. I salute the work of these co-operatives. As the member mentioned, there is opportunity for more growth in the co-operative movement where all Canadians can be affected in a positive way.

First, I want to say that I am concerned about a couple of the tendencies that seem to creep forward from time to time where they try to put on an air of exclusivity. In other words, there are times when, if I go into the store and I do not have my co-op card with me, I do not tend to get the graciousness that one would normally get when one goes to any other store in the riding. In the area of public relations, the whole co-op movement would be much better served if those people who know it well and who practise it would be a little more approachable in the service they provide.

The member is missing a tremendous opportunity in the neighbourhood of financial services. He mentioned in his speech that the co-op movement had millions and millions of members across Canada. It would seem to me, if these members could be marshalled and organized in one or two of our principal financial institutions, that they could then use a very special kind of leverage because they were part of a co-operative financial institution. This could have dramatic effect on interest

rates, on mortgage rates, and on entrepreneurial loans to small and medium sized businesses.

One of the problems we have with the co-operative movement today is that no one has taken the time to marshal the forces of the various membership. I remember a lawyer friend of mine, Joe Pomerant, spent about three years of his life working with various aspects of the co-operative movement. He showed that if he could amalgamate the various co-operative clubs which existed in Ontario and use that buying power, he could lower vacation travel costs by as much as 30 per cent or 40 per cent. Those are substantial numbers.

That same spirit could be applied to the workforce. We are dealing in a world where we have to show world-class competitiveness. It just cannot be at the negotiating table when we are redoing our union contract. It also has to be in the quality of our work and the level of productivity in our work.

If the co-operative movement were to factor this noble objective which I support into its negotiations, its wages might be a lot lower, thereby making us much more competitive and thereby making opportunity for job creation and growth a lot easier.

In the marshalling of the co-op movement the available spin-off resources are limitless. We have never really put a tight focus on how we can use this, especially during times of recession. However, as the member from Edmonton mentioned earlier, if these co-operatives are to be organized, if they are going to be like bridge points for exclusive clubs, if they are to be used to get preferential financing and once the financing is in place, people develop, grow and move beyond the basic objective of the system, to the exclusion of others, that is not a very sound or logical way to go.

The co-operative movement, time and time again throughout history, has pulled us through some very tough times. In any riding across Canada where there is difficulty, it is only when all of us get together and pitch in that we actually pull ourselves out of some of the severe crises that we get ourselves in.

The member from Essex—Windsor, the man who is the driving force behind this motion, he should perhaps start with a large financial institution to see if by marshalling the forces of all members of the credit union movement across Canada he could consolidate that resource and, having consolidated that resource, perhaps he could start a whole new trend in banking and interest rates. That would give credibility and trust to his objective more quickly than anything.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I would like to start by thanking the hon. member for Essex—Windsor for presenting this motion, because it provides an ideal opportunity for showing how the government lived up to its promise of regional equity and justice for all Canadians, and especially how much has been done by Conservative members in Ottawa and especially by the tireless member for Roberval, the hon. Benoît Bouchard.

When this government came to power in 1984, it saw that despite the efforts of the previous Liberal government and the considerable sums of money it had spent on regional economic expansion, serious regional disparities still existed across the country. That is why our government embarked on an in-depth analysis of regional economic needs and decided to provide a framework for meeting those needs, something which had not been done before.

This new framework approach, which was mentioned in the Speech from the Throne in the fall of 1986, was intended to correct regional imbalances and under-development, while concentrating on the most disadvantaged regions. In line with this approach, new regional development initiatives were introduced, based on the specific needs of target regions.

• (1540)

That is how the Atlantic Canada Opportunities Agency and the Department of Western Economic Diversification were created while Industry, Science and Technology Canada was given the job of looking after Quebec and Ontario.

Mr. Speaker, let me explain for the information of the hon. member for Essex—Windsor how Industry, Science and Technology Canada has obviously succeeded in focusing its new economic development initiatives in the most disadvantaged areas of Quebec and Ontario by providing them too with promising opportunities.

In Quebec, on regional development, this government has developed an action program specifically aimed at achieving the goals hoped for by the hon. member for Essex—Windsor, that is job creation and lowering unem-

ployment, reduction of regional disparities between regions and technological development of businesses.

When we came into office in 1984, we agreed to pursue the industrial and regional development program, the IRDP, established in 1983 by the previous government. This program was to promote industrial and regional expansion by supporting private sector initiatives that offered the most opportunities for profitability, sustained growth and competitiveness in the international arena.

Even if the program was of national scope, the degree of assistance given to businesses varied depending on the level of social and economical development in the region where the projects were. So, the more a region was disadvantaged in terms of unemployment and income, among other things, the more assistance it might receive. So, the IRDP was taking into account the economic disparities, not only from region to region nationally, but also between different parts of the same province like Quebec.

The IRDP, by promoting the establishment of new plants and the modernization of existing ones, helped create and maintain thousand of jobs throughout Quebec. The program also had an "innovation" facet which helped promote technological innovation and development in a number of Quebec industries.

Anxious to adapt our regional development policies to the specific needs of the various regions, our government signed with the Quebec government, in 1988, a multisectorial and multiregional agreement for economic development. With a view toward harmonizing the actions of both levels of government and maximizing their impact, the agreement's main objectives were to speed the economic growth of the various regions of Quebec and increase the participation of local populations in the work force.

The five-year agreement has a budget of $820 million, $440 million of which, that is 54 per cent, coming from the federal government. I must emphasize, that the major part of the funds, $486 million, will be allocated to areas with a resource-based economy, as their industrial base is not very diversified and often fragile, and also because these areas are far from the main urban centres and have a much higher rate of unemployment. This is particularly true of my own riding of Abitibi, and the riding of Temiscamingue, in Northern Quebec.

In areas where the economy is resource-based, initiatives come under five distinct headings: Business development, Technological development, Natural resources development, Strenghthening of economic infrastructures and Human resources development.

That is why specific initiatives have been put in place in the agri-food industry, fisheries and aquaculture, as well as for the enhancement of the industrial and tourist sector. Also, we have just announced an innovations assistance program.

As for the central regions, we have established a manufacturing productivity strenghtening program, and we support seven initiatives for the development of the Montreal area. We have announced recently two programs, a depressed areas assistance program and an innovations assistance program. And the hon. member for Essex—Windsor could read in the record the statement I made in this House about the state of progress of this agreement with the province of Quebec. The hon. member will see that it is the member for Roberval, the hon. Benoît Bouchard who has done his homework and not minister Gil Rémillard.

Furthermore, the federal government promotes regional development in Quebec through subsidiary development agreements within specific sectors or areas. As early as 1985, our government and that of Quebec agreed upon a set of subsidiary development agreements in forestry and mining, the agri-food industry, fisheries, tourism, home entertainment products, transportation, communications as well as science and technology.

A total of $1.4 billion has been earmarked for those various sectoral agreements. The money was divided equally between Canada and Quebec. It includes an amount of $150 million that was covered by a draft agreement and was distributed in March 1990 into seven sectoral agreements.

By the same token, we prolonged most of the sectoral agreements until March 1991. Needless to say many measures and initiatives put into place under those agreements will contribute considerably to the development of Quebec regions.

As to the Montreal region, our government recognizes it faces particular problems. The unemployment and poverty problem in the central districts of the city of Montreal is particularly worrying. We know the east and southwest districts were the most affected by plant closings and massive lay-offs in the last few years. This is why the Canadian government has been actively promoting the economic renewal of that urban district for over two years.

The Industrial Recovery Program for East End Montreal, set up in June 1988, and PRISOM, launched in September of this year, both aim at re-inforcing and diversifying local industrial structures, attracting new investments, and furthering the creation and growth of new concerns, particularly small- and medium-sized businesses. The aggregate budget for these five-year programs is $50 million.

Mr. Speaker, a word now about the positive and constructive efforts of the government in northern Ontario through FEDNOR which was established in 1987 to make sure that this region gets all the help it needs to achieve its full economic development potential. The $55 million earmarked for this five-year project represented a major commitment, as a result of which a number of businesses were set up and jobs created in the whole region.

Under FEDNOR, over $26 million in federal funds were allocated to finance some 311 projects. I must emphasize the fact that they also created and maintained nearly 2,225 jobs. The FEDNOR advisory council which is responsible for ensuring the relevance of all the FEDNOR programs to the local needs was totally involved in these contributions.

This government, in response to the very favourable reaction of the public towards FEDNOR, and in spite of budget cuts, made sure that businessmen in Northern Ontario received the assistance they needed so very much. That is the reason why an additional amount of $14 million has just been allocated to FEDNOR.

As you can see, Mr. Speaker, before blaming the government for its so-called disregard for regional equity, the hon. member for Essex—Windsor should have talked to the business people in Northern Ontario who appreciate in particular what the federal government has done so far for them through FEDNOR.

Mr. Speaker, FEDNOR has greatly helped business people in Northern areas meet the challenge and achieve their full potential. Under a special provision dealing with acquisition, FEDNOR is helping a whole series of Northern Ontario businesses sell their wares to the federal government.

Hardly a few weeks ago, representatives from over 80 businesses in 25 Northern Ontario communities came on a trade mission to the National Capital to present a sort of vista of Northern Ontario. This mission, sponsored and organized by FEDNOR, in co-operation with Supply and Services Canada, was intended to help Northern suppliers do business with the federal government.

Mr. Speaker, government activities in Northeastern Ontario, which is going through a difficult period, are worthy of note. In the Témiscamingue area, for instance, FEDNOR representatives have helped speed up processing of applications for regional assistance. Thanks to FEDNOR, investments by Pyrok and Dymond Clay will make a major contribution to the region's economy. We could name several programs, including agriculture, but above all, Mr. Speaker, this government has played a major role in recognizing the importance of the economy of Northern Ontario and Northern Quebec. My point is, Madam Speaker, that our approach has been successful. In fact, we are nearing our goal, which is equality for all Canadians. Thank you, Mr. Speaker.

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the motion put forward by the hon. member for Essex—Windsor is interesting and intriguing and I must just read it again so that we will see where we are going.

• (1550)

The motion reads:

> That, in the opinion of this House, the government should consider the advisability of protecting and extending the important role of social ownership in the economy, in order to achieve the social goals of full employment, regional equity, technological development and equality among Canadians.

I appreciate the hon. member's desire for full employment in Canada, and I understand and respect the hon. member's wish to invest in Canadian men and women

and provide them with training and retraining opportunities that will allow them to participate fully in a thriving economy.

I know that he is sincere in putting forward his motion and his ambition to build a strong and competitive future for our country through full employment.

I would like to point out to him that laudable though his intentions may be, the motion he has placed before the House displays a lack of understanding about what is feasible in a land as diverse and complex as Canada. It shows a disturbing inability to grasp the complexities of our labour market.

I would like also to remind the hon. member that this government has always understood the importance of investing in our citizens. Indeed, we are at this moment making the very types of social investment he advocates in his motion. These investments come in the form of training and retraining Canadian workers in programs offered through the Canadian Jobs Strategy and our Labour Force Development Strategy.

We have always maintained that the failure to preserve a competitive workforce would have dire consequences not only for the individuals who lost their jobs but for Canada's economic prospects as well. That is why we have dedicated more dollars to job training and skill enhancement than any government in the history of Canada.

I noticed that the hon. member's motion did not define "full employment". This is understandable. Our organizations such as the Canada Employment and Immigration Advisory Council which is also keen to see full employment has stated: "It would be impossible to come up with a definition of full employment with which everyone would agree."

In effect, the Advisory Council acknowledged that defining full employment would be as complicated as Rubic's cube. In its recent report on unemployment, the Canada Employment and Immigration Advisory Council suggested that the figure of 4 per cent unemployment might be considered full employment.

It is our view that the selection of a single unemployment target such as 4 per cent is not feasible nor is it realistic, because Canada remains a country of great regional diversity. Governments cannot push a button to replenish the cod stocks in the Atlantic nor force automobile plants to the Gaspé coast where unemployment in particularly severe.

On top of that, Canada like the rest of the industrialized world, is facing rapid economic changes as international trading and manufacturing patterns evolve to adjust to a much more dynamic and unpredictable global market.

The choice of targets such as 4 per cent for full employment can also be very misleading. In fact, the unemployment rate of 4 per cent or less can even mask great disparities.

When the hon. member for Broadview—Greenwood was making his remarks in this debate, he made reference to financial institutions that may be able to present programs and have loans, mortgages and other financial transactions at a lesser rate than some of our banks and trust companies today.

I might say that my son is employed with Van City Savings and Loans in Vancouver, which I believe is the largest credit union in the world. It competes very well in that vibrant financial market in Vancouver with some pretty large numbers. It has done very well, but I might also note that most of the chief executive officers have come from some pretty large corporations to direct it and to give it good advice as it carries on down the road.

There are good areas for it. But it is not the workers' nirvana. Co-operatives have many forms.

At one time in business I formed a company where I had all the shareholders, who were mainly the employees, with the same amount of common stock. My investment differential was in the preferred shares. They said as long as the company made a profit and paid a dividend out of current earnings, that is the way it would run. But if the company lost money for two consecutive years, then the preferred shares would have voting power and the direction of the company could be changed. There are many forms that a co-operative can take. It is not the answer to all things in business, but it does have a place to play.

Let us compare the year 1967 in Canada, when the unemployment rate was 3.8 per cent to 1988, when the unemployment rate was 7.8 per cent. A single comparison of the two numbers would suggest that Canadians were better off in 1967 than they were in 1988.

After all, if we stick to the Advisory Council's definition of full employment in 1967, we were actually within the unemployment rate of 3.8 per cent. However, a closer look at the numbers suggests that everything is not quite so rosy, particularly when we compare the two years to the numbers of people who held full time, year-round jobs.

In 1967, the year with apparent full employment, 39 per cent of the population 15 years of age and older worked full time all year. But in 1988, a full 5 per cent more, or 44 per cent of the population held full time jobs year-round.

Let us compare what this has meant in dollars and cents for Canadians. And let's adjust the comparison to 1988 dollars so there will be no confusion.

In 1967, the year that meets the Advisory Council's definition of full employment, 14 per cent of the Canadian population enjoyed adjusted annual earnings of $25,000 or more. But in 1988, when we had an unemployment rate of 7.8 per cent, more than 25 per cent of the youth and adult population earned that much. Now, were we closer to full employment in 1967 or in 1988? Which would you choose?

What I am pointing out to the hon. member, Mr. Speaker, is that full employment is much more complicated than his motion suggests.

This government believes that increased employment is possible and that the federal government has a significant role in achieving this goal. The government has recently authorized a new ceiling of $346 million for training measures in 1990. That is more money than we have ever before set aside for training in the past.

Because of these allocations, people who would otherwise have been looking for work now have the opportunity to increase their skills to find the work they want. This emphasis on active intervention such as training and re-employment, rather than passive income support, is endorsed by all member countries of the OECD. Our goal is to apportion even a greater amount of our labour market programming towards this end.

This change in emphasis, Mr. Speaker, lies at the heart of the Labour Force Development Strategy. The Labour Force Development Strategy will dedicate more dollars to job training and skill enhancement than ever before. A total of $800 million is being reallocated to expand the developmental use of unemployment insurance. The increased expenditures on active programs will raise our active mix of labour market programming from 25 per cent to 40 per cent.

The expanded developmental use of unemployment insurance funds will allow for more training, mobility, self-employment and other re-employment strategies, practical measures that will provide long-term benefit to unemployed Canadians.

The Acting Speaker (Mr. Corbett): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being four o'clock p.m., this House stands adjourned until Monday next at one o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 4 p.m.

HOUSE OF COMMONS

Monday, November 5, 1990

The House met at 1 p.m.

Prayers

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND

The House resumed from Tuesday, October 9, consideration of the motion of Mr. Plamondon that Bill C-201, an act to amend the Canada Labour Code (scabs and essential services), be read the second time and referred to a legislative committee.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the hon. members opposite are a little perturbed. I suppose they expected to be up first. Not always, fellows.

Mr. Speaker, it is my privilege, as always, to get up in this House on debate on any bill and, in particular, Bill C-201, as put forward by the hon. member for Richelieu. It is my privilege because, in my capacity as associate labour critic, I have points to make on the bill, which proposes amendments to the Canada Labour Code and basically deals with the treatment of scabs and essential services. On the one hand, the bill would prohibit the hiring of scabs to replace employees of Crown corporations who are on strike or locked out and, on the other hand, the bill would ensure that essential services are maintained in the event of a strike or lockout in a Crown corporation.

I share the sentiments of my colleague, the hon. member for Kenora—Rainy River, who is the labour critic for Her Majesty's Official Opposition, that the anti-scab portion of this bill has certain merits. The treatment of workers who are locked out or on strike at a given company are, of course, severely undermined by the use of scabs. After all, when bargaining breaks down or when new contracts come up for renewal and workers exercise their right to strike, a right which has been long fought for, they are at a great disadvantage when scabs are hired to fill their jobs. In this respect, that portion of the bill which enshrines and upholds the rights of workers to strike, without interference by scabs, deserves support. Some portions of the bill are quite clear on this matter. Clause 90.2 declares:

> For the duration of a strike or lockout—a Crown corporation is prohibited from
>
> (b) using—the services of a person not employed by the Crown corporation to discharge the duties of an employee who is a member of the bargaining unit on strike—

—namely, a member of the union itself.

However, Mr. Speaker, there is a caveat in the bill, signed at the end of clause 90.2, paragraph (c), by the use of the word "unless". While the bill is clear about its intention not to hire scabs to replace workers, it does permit the preservation of essential services which are ambiguous and not clearly spelled in the bill.

The member sponsoring the bill made this House aware that he was concerned about essential services and Canada Post, as many Canadians are, and the fact that Canada Post is one of the Crown corporations which experiences great difficulties with respect to the use of scabs during a strike or a lockout. However, although the bill may be designed to remedy certain problems associated with Canada Post, there are other Crown corporations which would be put at a clear disadvantage through this legislation. The part dealing with maintenance of essential services is one such contentious point.

The changes to the Canada Labour Code suggested in this bill are further complicated by the changes at Canada Post itself. Many of its services and the way it does business have been altered, and the day may come when a greater number of its services are contracted out. At least this is apparently the trend. As my

colleague, the hon. member for Kenora—Rainy River, so properly put it, and I quote from his remarks of the other day:

> When you change the mandate and the reason why you came into being, then you create difficulties for the union that is there.

Getting back to the point of essential services, the bill does not elaborate on what are considered essential services. There is a provision in the bill for the corporation and the union to agree to what are essential services but, apart from that, no definition is in place. The legislation would require that the two parties in the dispute would agree on a definition for essential services and would forward a list of those to the minister responsible for the Crown corporation. There the minister can keep tabs on essential services and can even decide, in conjunction with the cabinet, whether a strike is apprehended or in progress and can suspend the right to strike or order essential services to be maintained. Again, for the record, such essential services are not defined in the bill.

• (1310)

Shakespeare so often used the term "That's the rub". The executive powers conferred to ministers of the Crown responsible for particular Crown corporations are very broad. They would be able to order workers back to the job and put a stop to a particular labour force or union which has a legitimate grievance. The section in question, section 90.9 ordering the suspension of the right to strike, goes on to state that this may be done if the essential services provided for are insufficient and that the public health and safety are endangered.

I have two points: first, earlier in the bill the essential services are to be determined by the company and the union or by the union itself. Then we read that the minister responsible may determine the sufficiency of essential services and waive the right to strike. They are very broad powers indeed. Second, the part about public health or public safety being endangered is very unclear. Obviously this would relate to some sort of violence or confrontation, but I fail to understand how the situation of public health or safety would be remedied by ordering the suspension of the right to strike, thereby aggravating the whole process.

In short, portions of this bill are effective and we can sympathize with the member who has put forward his arguments in Bill C-201. However, still others need further clarification, and therefore it must be referred back to committee for some serious detailed analysis.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise today to speak on Bill C-201, presented by the member for Richelieu. First I would like to make a few comments in regard to the anti-scab part of this bill. That part we support in our party whole-heartedly, because we know what goes on, on the picket line, when a unionized group goes out on strike. We know of the tragedies that happen.

If I may I would like to make reference to one very recent occurrence that is still very vivid in my own mind, what went on in my riding in the town of South Porcupine at Dome Mines, where we saw a very ugly and bitter strike, where we saw life-long friends become enemies, where we saw families being torn apart. Why? It was because there were scabs crossing the picket line. The company saw fit to bring in workers from outside the province to keep the mine going. It said that the miners had to have a mine left over to go to after the strike, so it had to keep the mine going, but it went beyond that. The company went into production. Another atrocity was that it brought in students and used the students as scabs, and some of them were injured.

We know on this same picket line one worker in particular was dragged some 50 feet by a car that decided to drive through the picket line. We know of others who were injured. We also know that there was some bitterness from the union side. It only aggravated the situation. There is a definite need for anti-scab legislation in this country, and I think this is a step in the right direction. I say that with a certain amount of reservation because of the second part of this bill, which I will be speaking on in a few moments.

We have similar legislation in Quebec. It is in the form of anti-scab legislation with a difference. The difference is that in Quebec there is a committee set up to decide

what is an essential service before the strikers go out and not decide it afterward as is suggested by this bill.

This bill in the second part gives the minister full authority to decide what is an essential service and what is not. Granted, there are certain sectors of these work places that do have essential services. There are certain areas that have to be maintained for the purposes of the workers having a job to come back to.

However, when we talk about essential service, we have to keep in mind that we are talking about services that would otherwise put the health and safety of Canadians in jeopardy. When I look at the list of corporations that I have, I wonder if we could say that the Federal Business Development Bank is an essential service when it comes to public health and safety.

We say that Lotto Canada comes under that jurisdiction. Can we say that the National Capital Commission comes under that jurisdiction? It certainly does not. Therefore I think we need further study of this bill. We must ensure that these kinds of questions are asked prior to this bill receiving Royal Assent. Further discussion is required on the whole matter.

I am suggesting that we intend to support this bill and send it to committee so that we can have further input into it and clean it up. There is no question that we need anti-scab legislation to protect workers who by law have been given the right to organize. They have been given the right to bargain and they have been given the right to go on strike, but they have not been given the right to stop someone from crossing the picket line and therefore jeopardizing the whole bargaining process.

What initiative is there for an employer to go back to the bargaining table and bargain in good faith when business can proceed as usual because scabs are being used? We must give workers the right to stop those scabs from crossing the picket line. The only way we are going to do that is with legislation like this bill, without the broad definition of the second part.

We need some form of mechanism which will ensure that employers will go to the bargaining table and bargain in good faith, knowing that if they do not they will not have business as usual.

In conclusion, I would strongly support the first part of this bill. I also strongly recommend that we have further input in the second part, which would give the minister too broad a brush to decide what is an essential service and what is not.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to have this opportunity to speak on the proposed legislation currently before this House, namely Bill C-201, an act to amend the Canada Labour Code.

• (1320)

This bill is twofold in its purpose. If enacted, the legislation would prohibit the hiring of persons to replace employees of a Crown corporation who are on strike or locked out. It would also ensure that essential services are maintained in the event of a strike or lockout in a Crown corporation. While I acknowledge the concerns of the hon. member which gave rise to the introduction of the proposed legislation, my comments are directed more toward the approach which he has chosen to follow in introducing the bill before us. I would think that in considering possible amendments to existing legislation one might want to avoid disrupting the existing broad based framework for the sake of seeking to address an apparent specific and limited problem.

In this specific case, the hon. member is proposing amendments to Part I of the Canada Labour Code which would apply only to Crown corporations. Without, for the moment, debating the merits or weaknesses of the proposed amendments, let us look at the question of what one might view as a piecemeal approach to amending legislation.

Part I of the Canada Labour Code, which deals with industrial relations in the federal private sector jurisdiction and federal Crown corporations, is a balanced and comprehensive piece of legislation covering a broad spectrum of labour relations activities. These range from union certification and employer accreditation, through the collective bargaining process and the various stages of third party assistance available, to the rights and responsibilities of the parties involved and the extent of sanctions and prohibitions which may be applied in cases where it is judged that these established ground rules have been violated.

I am suggesting that it may be impractical for hon. members to consider specific changes to the Canada Labour Code dealing with the matters of replacement workers and essential services as applicable only to Crown corporations and in isolation from the remainder

of the provisions of the code and the federal jurisdiction universe to which it applies.

Having addressed what I view as the inappropriate nature of the legislative initiative which is before us, I would now like to focus on the specific issues which are dealt with through the proposed bill. The question of essential services and the public interest is a topic which has come before this House on a limited number of occasions, namely when hon. members have been asked to consider back to work legislation in the case of a work stoppage of major significance.

As indicated earlier, Part I of the Canada Labour Code provides the framework for the collective bargaining process and also prescribes the various forms of third party assistance which are available to employers and labour unions to assist in resolving their differences at the bargaining table.

The vast majority of labour disputes at the federal jurisdiction level are settled without resort to strike or lockout action on the part of the parties. However, situations do arise from time to time where parties are unable to reach a satisfactory settlement and a work stoppage results, causing significant disruption to the economy or compromising the health and safety of Canadians.

It is in cases such as these that the government, as the protector of the rights and interests of the public, must accept its responsibility and bring about an end to the work stoppage.

The point to be made here is that a strike or lockout is an economic weapon utilized within the bargaining process and brings with it certain inconveniences or discomforts for those citizens whose access to specific goods and/or services is affected. Each situation involving a work stoppage must be assessed on the basis of the degree of disruption which it poses for Canadians and the seriousness of such disruption: Does it represent a threat to the economic viability of the nation or threaten the health and safety of its citizens?

In the federal private sector the government has been under severe pressure from time to time to prohibit strikes in so-called essential services. I use the term so-called essential services, and I should perhaps offer a word of explanation so as not to sound somewhat cavalier.

If one were to attempt to define and list essential services in Canada, it would in my view call for much sober thought. The public's perception of essential services can be somewhat capricious and may be dependent upon its frustration of the moment at being considerably inconvenienced when deprived of a service or a product through strike action.

To illustrate this point, I might refer to a strike which occurred some years ago in the United Kingdom and which involved the people who were responsible for changing the bulbs in the traffic lights. If one were to sit down and list essential services, I hardly think that these individuals would come under this heading. However, as the strike progressed the traffic in London was slowly grinding to a halt. If this resulted in a paralysed city, I suppose such a service could then be considered essential.

Given that there is undoubtedly an area where the public rightfully is inclined to pressure government for restrictive legislation, we have nevertheless at the federal level opted not to seek legislation which prohibits strikes in our area of jurisdiction. Instead, this government has sought mechanisms to further improve the functioning of industrial relations and to assist the parties to negotiate meaningful agreements and improve their day-to-day relationships.

Our free collective bargaining system made operative through the Canada Labour Code assumes that parties to the collective bargaining process will come to the negotiating table with a spirit of determination, a commitment to make the process work, and a sense of compromise reflecting the necessary give and take of the collective bargaining process.

While not prohibiting the use of replacement workers in the event of a work stoppage, the Canadian Labour Code does strike a balance in providing the protection for those employees who are affected by strikes or lockouts. The code provides that workers involved in legal strike action cannot be permanently replaced and have preference over any one hired to replace them in returning to their job following the conclusion of the work stoppage.

In addition, the code prohibits an employer from suspending, discharging or imposing any financial or other penalty on an employee who refuses to perform

the work of another employee who participates in a legal work stoppage.

While the existing provisions may not satisfy the hon. member's concerns, they do provide Crown corporations an opportunity to continue functioning during a work stoppage, while at the same time they protect the rights of permanent employees who legally participate in such activities.

I would suggest that what the proposed legislation is doing is putting severe restrictions on the free collective bargaining process. As did its predecessor, the Industrial Relations and Disputes Investigation Act, the provisions of the Canada Labour Code passed by Parliament provide an appropriate framework for the functioning of the industrial relations systems within the federal jurisdiction and have served us well over the years.

I believe that the best form of collective bargaining exists when the parties themselves are faced with the task of reaching an acceptable and workable agreement. The more restrictions placed in the process, the less likely the parties will be prepared to make the necessary tradeoffs and compromises provided.

[*Translation*]

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, the members of the Bloc Québécois are very proud to see this bill before the House today, and they are also extremely proud of the fact that one of their own members introduced this bill.

Amazingly, it takes something resembling a lottery for the House to consider one of the fundamental problems of any democratic country: the problem of civilized behaviour and discipline in relations between labour and capital.

Mr. Speaker, the purpose of this bill is to introduce certain democratic principles in our labour relations, principles that are known in many countries, and even in our own, in provinces like Quebec, for instance.

I heard previous speakers mention the need to maintain fairness and freedom in labour negotiations. That is what this bill tries to do. It is intended to ensure there is a balance between the various forces involved.

Mr. Speaker, I was there, front row centre, during a debate that almost shook Quebec to its foundations in the 1970s, in 1976-77, when the government at the time introduced anti-scab legislation. I can assure you that the arguments we heard against that bill were far more forceful and impressive than those we are hearing today. People said we were headed for disaster, Mr. Speaker. They said Quebec would become a war zone if this bill was adopted; that it would cause fundamental injustice; that strikes would last much longer and that there would be no more free negotiations; and that the unions would have an unfair advantage, in a confrontation that is always difficult to control.

• (1330)

After a difficult, long drawn-out debate, the Quebec government managed to get the National Assembly to pass Bill 45 which became our anti-scab legislation. And now, 13 years later, we still have a system that is much stricter and far more controlled than what is being proposed here. And as for the disastrous consequences that were predicted, if we look at the statistics, we see that since the anti-scab bill was passed in Quebec, the average duration of labour disputes has been reduced by 35 per cent. That is something to consider.

The bill before the House today does not ask us to go out on a limb; it is not fraught with unknown perils; and no disaster lurks around the corner once the legislation is passed. On the contrary, just look at the situation in Quebec. Admitedly, Quebec has been a pioneer in Canada in social affairs and civilized employer-employee relations. The House would be ill-advised to ignore the fact that Quebec has taken the lead as a result of the social and economic renewal which swept through the province in the 1970s, particularly by restoring proper employer-employee balance. I fail to see why anyone would seek to mainatin the *status quo* in this field.

This insistence on reliving the violent incidents of the 1930s reflects a peculiar attitude. As you may recall, savage freedom prevailed at that time. As one would say in Quebec, might was right. Invariably the strongest was the winner, for he could hire more scabs and attract strikers by dangling before them untold opportunities for stable employment. Do Canadians really want to go through that again?

Let no one tell me this has not happened since then, for we saw that in 1986-87 in the case of the bus company Voyageur, we saw that in the case of the grain elevators, the 1986-87 postal strike and again today in the port of Montreal where, we are told, scabs are now involved in

an ongoing labour dispute. Is that the kind of labour relations the federal government is prepared to accept? Of course we did hear various arguments, such as: "Look, this is not going far enough, the minister wields too much power when it comes to defining essential services; this should be enlarged, covering government employees and all employers coming under a federal charter."

We agree of course, but we are only on second reading. Members who stand up to vote later today will be telling us whether, in principle, they agree or disagree that time has come to inject some civility into labour relations in Canada. And then if they want to move amendments, as we might ourselves, they will have an opportunity to appear before the legislative committee and propose any amendment they deem relevant or necessary. Should they feel dissatisfied about the way their proposed amendments have been dealt with on third reading they will still have the option to vote against the bill.

Claiming that one does not agree because the measure goes too far or nor far enough smacks of hypocrisy, because we all know that the parliamentary process gives us a further opportunity to do some fine tuning so the bill will more closely reflect our point of view. For now we are debating the principle and members will be asked whether they think Quebec was right 13 years ago to set up a tolerant system which restored real balance between opposing forces, which is exactly what they were, Mr. Speaker.

As management representative for many years I had to deal with strikes and I know very well that if we want to maintain proper balance between opposing parties there can be no question as to what is a strike and what is a lockout. Mr. Speaker, a labour dispute involving scabs simply cannot be called a strike, it is a subversive and hypocritical denial of the right to strike. One is either in favour of or against the right to strike—a basic right in social relations in this country. If you are in favour you do not want to lessen or indirectly undermine the worker's sacred right to strike, a right which Canadian employers have learned to live with.

Canada is not a Middle-Age country, Mr. Speaker. Employers have long since learned what a strike or a lockout is and they are quite prepared to negotiate. Quebecers have been living in this enlightened labour climate for 13 years now, Mr. Speaker, and I submit that this House would be undignified if it were to refuse to bring the federal government into the democratic context of the 20th century.

[*English*]

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I rise to join the debate on Bill C-201, a proposed amendment to the Canadian Labour Code which, if passed, would prohibit the hiring of replacement workers by a federal Crown corporation whose employees were on a legal strike or locked out by the employer. The bill also contains provisions which are intended to ensure that essential services are maintained in the event of a strike or a lockout in a Crown corporation.

I wish to commend the hon. member for Richelieu for the initiative which he has shown in bringing this particular subject to the attention of hon. members. There is no doubt that the employment of replacement workers during work stoppages is an issue which deserves careful consideration in this House. Whether or not the situation in federal Crown corporations dictates the need for legislation, such as is proposed in the bill, is a matter which individual members will have to weigh carefully based on the arguments put forward during the course of this debate.

[*Translation*]

As far as I know, Mr. Speaker, Quebec is the only province that has legislative provisions banning the hiring of scabs. The law was first adopted in 1977 and amended in 1983 so as to cover outside consultants and subcontractors.

[*English*]

Several jurisdictions, including the federal realm under Part I of the Canada Labour Code, protects an employee's right to return to work following a work stoppage, in preference to a person hired as a replacement, and prohibit the disciplining of an employee for having taken part in a legal work stoppage.

In Quebec, two objectives of the legislation prohibiting the use of replacement workers were stated as the reduction of the incidence of violence in labour disputes and a decline in the duration of the work stoppage.

While the hon. member responsible for the introduction of this bill has suggested that there is evidence to indicate that the Quebec legislation has had the desired effects, much of the research to date has been proven inconclusive. Studies dealing with the question of violence associated with work stoppages have relied essentially on newspaper accounts and have not reached any definite conclusions with respect to the incidence of violence in situations where replacement workers were employed.

In the proposed Bill C-201, which would apply only to federal Crown corporations, essential service provisions would also be incorporated into Part I of the Canada Labour Code. The essential service issue in federal jurisdiction has been reviewed on several occasions. The code does not generally cover essential public services as defined by the International Labour Organization jurisprudence which would include fire, police and health protection. Beyond this strict definition of essential services, it would be difficult to envisage an administrative structure which could determine what is essential with respect, for example, to the operations of various Crown corporations such as the Canada Post Corporation, the Canadian National Railway or the Canadian Broadcasting Corporation. In effect, in these particular cases, the law would be providing for partial operation which is a different concept to that of essential services.

In its review of the question of essential service disputes some time ago, the Report of the Task Force on Labour Relations chaired by H. D. Woods, outlined seven observations which it felt were fundamental to the determination of a scheme for containing such disputes. The task force suggested that: "It is extremely difficult to say with certainty or conviction in advance of actual events in what industry or service and at what time resort to economic sanctions ought to be curtailed." It went on to comment that "there can be no one policy of procedure that works with uniform success" and recommended that "flexibility of approach is essential lest the parties build the existing policy or procedure into their strategies." It concluded that circumstances may be expected to arise in the eventual course of industrial conflict in which disobedience and defiance of the law will not be forestalled by that law.

• (1340)

The task force conclusions remain valid, and I would suggest that the current provisions of the Canada Labour Code with regard to dispute resolution reflect the realities contained in these observations.

Again, I want to commend the member for Richelieu for bringing this to the attention of the House. It is something at which from time to time we are all obligated to look and I think this debate is most worth while.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I am pleased to be able to spend a few moments in addressing the bill before us this afternoon. I would like to compliment the member for Richelieu for bringing it forward.

For many years I think we were under the impression, and it appears to have been a false impression, that we had reached a more civilized level in industrial and labour relations than had been witnessed by some of the events of recent years.

The increasing amounts of money and time spent by many North American corporations on seminars for their staff, supervisors and personnel officers, runs into the hundreds of thousands and millions of dollars, has shocked those of us who, from time to time have been on the mailing lists of the corporations and companies that conduct these seminars on strike breaking and the hiring of replacement workers, to use a more polite phrase. We have been astounded at how little we seem to have learned over the years.

The concept of job ownership among the labour force is very deep. Working people in this country and particularly in certain parts of it, British Columbia, Quebec and northern Ontario, for instance, have always felt that it was their right to defend their their jobs with every bit as much reasonable force as this society expects people to use when their property or their home or their business is attacked.

We find the hiring of replacement workers or scabs or professional strike breakers on the increase. This is true not only in the private sector, but as we have seen, in the public sector, for example in the operation of Canada Post Corporation in the last few years. It is simply an invitation to violence which no civilized society can accept.

This bill is one small way, but a great start to put us on the path back towards more civilized relationships within industry, and more civilized relationships within society.

If I had more time, I would read some definitions of scabs and strike breakers and replacement workers that have been used from time to time simply to demonstrate to this House and to anybody who happens to be listening or reading the debates just how deeply some of those feelings are on the part of workers who see their jobs threatened by the use of scabs or replacement workers. It is important for us to understand the depths of those emotions so that we realize how important it is to adopt legislation along the lines now presented.

I and my colleagues in the New Democratic Party, and I think there are a few others, and perhaps even the author of the bill, believe that perhaps there is room for some refinement in the designation of what is an essential service. Is a definition which simply talks about the public health or public safety enough or is it too broad? Where are we going to restrict basic rights, which are as old as the Magna Carta? It said hundreds and hundreds of years ago that "no man shall be forced to build bridges". If they were not forced to build bridges, then I think it is entirely appropriate for us to believe today that the state, or any corporation, ought not to be taking measures to deny people the right to withhold their labour. It is a right which is as old as mankind itself. This proposal, which we welcome, is one which will introduce some civilization back into the workplace and back into industrial relations, and give us a chance to live harmoniously within this society.

We support the bill and look forward to seeing it in committee.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, it is a pleasure to take part in the debate today on Bill C-201, an act to amend the Canada Labour Code. We have heard much about the intended purpose of the bill. We have also heard about some of the practical difficulties of implementing its provisions and about the implications for industrial relations in Crown corporations.

Hon. members who have spoken in debate have made a number of useful observations. Some of these remarks stand out as particularly relevant and, in my view, we should want to bear some of these in mind as we come to a conclusion on the desirability of the bill.

One such argument was to the effect that the bill could give a relatively small bargaining unit of a multi-bargaining unit employer, the ability to halt an entire national transportation network. The example used was CNR, the Canadian National Railway. If a railway could not use other workers to do the work of a small unit of employees on strike, the enterprise would not be able to continue operating. This would be an intolerable situation and one would have to question how legislation could be passed that would allow it to happen.

Another potential problem is the impact Bill C-201 would have on multi-union bargaining structures. Labour and management in the railway industry have come together in large scale multi-unit, multi-company bargaining structures on occasions in the past. Such wider based negotiating arrangements have the advantage of limiting the number of potential strikes facing employers and unions during the bargaining round. However, under the proposed anti-replacement worker regime, the enhanced power given to individual unions would likely have a fragmenting effect, increasing conflict in the system and preventing the occurrence of such broad-based bargaining arrangements that have been attractive to both companies and unions.

There are also special competitive factors that certain Crown corporations face. Crown corporations such as CN Rail would find themselves under a significantly different legislative system than their major competitors. Canadian National would be prevented from replacing workers on strike while CP, for example, would be in a position to do so. Crown corporations, in effect, could be placed at a disadvantage operationally and at the bargaining table. In short, Crown corporations, relative to their private sector competitors, would be made less competitive.

The designation of essential services as proposed in the bill introduces its own unique difficulties. On one hand, single facility operations such as hospitals are adaptable to such arrangements. On the other hand, transportation systems that operate on a continuous basis and have national and international connections require the maintenance of a highly evolved system of human resources and equipment co-ordination. The minimum staff concept associated with single plant

operations would be extremely difficult to implement in a modern transportation system.

I mentioned that inequities would arise in the application of our labour relations laws as they apply to industries under the Canada Labour Code. I referred to CN Rail as the example. The Canadian Broadcasting Corporation is also a Crown corporation.

The Acting Speaker (Mr. DeBlois): It being 1.49 p.m., pursuant to Standing Order 93, the time provided for debate has expired.

[*Translation*]

The question is on the motion of the hon. member for Richelieu. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. DeBlois): The hon. member for Saint–Denis, on a point of order.

Mr. Marcel Prud'homme (Saint–Denis): Mr. Speaker, on a point of order.

Since this is a private member's bill, I hope the House will agree to let us vote row by row, according to the custom we adopted recently, instead of party by party. I ask this since it is a private member's bill.

The Acting Speaker (Mr. DeBlois): Do I have unanimous consent for taking the division row by row?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Perhaps I may remind hon. members that the first to vote will be those who are in favour of the motion. I will start by requesting those members in the rows to the right of the Chair to rise, followed by members in the rows to the left of the Chair.

Subsequently, I will ask members in the rows to the right of the Chair who are opposed to the motion to rise, and I will conclude with those in the rows to the left of the Chair.

The House divided on the motion (Mr. Plamondon), which was negatived on the following division:

(*Division No. 312*)

YEAS

Members

Allmand	Anawak
Arseneault	Assad
Axworthy (Winnipeg South Centre)	Bellemare
Benjamin	Berger
Black	Blackburn (Jonquière)
Blaikie	Blondin
Bouchard (Lac–Saint–Jean)	Boyer
Breaugh	Butland
Callbeck	Campbell (South West Nova)
Champagne (Champlain)	Clancy
Crawford	de Jong
Dingwall	Dionne
Duceppe	Duhamel
Finestone	Fisher
Flis	Fontana
Foster	Gaffney
Gardiner	Gauthier
Harb	Hopkins
Hovdebo	Hunter
Jordan	Kaplan
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Lapierre	Leblanc (Longueuil)
Lee	MacLaren
MacLellan	Maheu
Marchi	Marleau
McLaughlin	Milliken
Mitchell	Parent
Parker	Pickard
Plamondon	Prud'homme
Riis	Robinson
Rocheleau	Saint–Julien
Samson	Stewart
Stupich	Vanclief
Waddell	Wappel
Wood	Young (Beaches—Woodbine)—72

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bjornson
Blais	Blenkarn
Bourgault	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Collins
Cooper	Corbeil
Corbett	Couture
Crosby (Halifax West)	Darling
Dobbie	Domm

S. O. 31

Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Greene
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Holtmann	Horner
Hudon	Hughes
James	Johnson
Kempling	Koury
Langlois	Larrivée
Layton	Lewis
Lopez	MacDougall (Timiskaming)
MacKay	Marin
Martin (Lincoln)	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Merrithew	Monteith
Moore	Plourde
Reid	Reimer
Ricard	Robitaille
Roy-Arcelin	Schneider
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thompson
Thorkelson	Turner (Halton—Peel)
Valcourt	Van de Walle
Vien	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—90	

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Laval-Est on a point of order.

Mr. Della Noce: Mr. Speaker, I did not rise earlier, because I was late. I therefore preferred to remain seated. I want to put on the record that, had I been on time, I would have voted against this motion, even if the bill is commendable—

Some hon. members: Oh, oh!

Mr. Della Noce: —because I suggest it is incomplete.

The Acting Speaker (Mr. DeBlois): The hon. member for Cape Breton—East Richmond on a point of order.

[*English*]

Mr. Dingwall: Mr. Speaker, I think you would find unanimous consent in the House for members to revert to Statements by Members pursuant to Standing Order 31.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to now proceed to Statements pursuant to Standing Order 31?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some hon. members: Agreed.

STATEMENTS PURSUANT TO S. O. 31

• (1420)

[*English*]

VIMY MEMORIAL SERVICE

Mr. Bill Kempling (Burlington): Mr. Speaker, yesterday hundreds of people congregated on a few acres of France that are forever Canada. They came to the lovely park land containing the Vimy Memorial.

Every November, crowds of French citizens join our own dignitaries and troops at a special service of remembrance to commemorate the 60,000 Canadians who were killed in the First World War.

The memorial itself stands on top of Vimy Ridge, the site of Canada's first and greatest victory. Our soldiers had been drawn from other armies to form the Canadian corps and attempted to take the heavily defended ridge. On April 9, 1917, they succeeded and won everlasting respect. My father was in that battle.

The French government graciously granted Canada some of that historic site in perpetuity. As I said, hundreds of French men, women and children went there yesterday and joined our ambassador to France, Mr. Claude Charland.

The Acting Speaker (Mr. DeBlois): The hon. member's time has expired.

* * *

ITALIAN CANADIANS

Mr. Sergio Marchi (York West): Mr. Speaker, it is not very often that I rise in my place to compliment the Prime Minister, but today I would like to commend him for the official apology rendered yesterday to the some 700 Canadian citizens of Italian origin who were interned during World War II.

Some hon. members: Hear, hear.

Mr. Marchi: Congratulations are also in order for the National Congress of Italian Canadians, particularly its outgoing president, Anna Maria Castrilli, for her perseverance in advancing this special cause.

The wounds borne by the former internees and their respective families were greatly soothed yesterday, soothed by words they longed to hear.

We in the Liberal Party welcome this progressive and just step. We share in the pride felt by the community. We urge the Prime Minister to bring the matter formally before the House of Commons in short order so we may successfully close this one chapter of the Canadian experience.

There will be those who say we cannot and should not take the responsibility to right the wrongs of our past. Why not? Is not our nation and people made stronger by such acts? This apology should not be interpreted as an act of weakness but rather as an initiative that reinforces people's belief in and commitment to Canada. It serves to remind all of us in this Parliament that the protection of basic human rights is something that we should be vigilant about every day.

* * *

ALBERTA WOMEN IN POLITICS

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I would like to take this opportunity to congratulate former Senator Martha P. Bielish on the publication and distribution of the book that she commissioned entitled *Alberta Women in Politics*.

To quote the author, because of her lifelong involvement in politics and with women's organizations in the province, most notably the Alberta Women's Institute, the senator was acutely aware of the inaccessibility and lack of information on women who have contributed so much to Alberta's public life.

I must commend Mrs. Bielish's initiative as well as her dedication in working for equality. Education and information are crucial. As a former school teacher, she recognized and contributed to raise the awareness level of the plight of women and their goal of both gender and economic equality.

S. O. 31

UNEMPLOYMENT INSURANCE ACT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, last week I asked the Minister Employment and Immigration to implement a simple solution to what has become a democratic nightmare, namely, to allow new parents simply to avail themselves of the new parental benefits under the Unemployment Insurance Act as of January 1, 1990. She said no. Her refusal clearly shows how out of touch is the minister.

Reports from all over the country indicate the severe confusion taking place. New parents do not know what to do and, simply put, neither do the employment centres.

We ask again that the minister clarify the situation once and for all. It is bad enough she has taken away crucial benefits from working families during a recession by gutting the UI program. They should not be made to jump through a hoop to get what little benefits are left.

* * *

CITIZENS' FORUM ON CANADA'S FUTURE

Mr. Geoff Scott (Hamilton—Wentworth): Sir, speaking as one proud Canadian and as a former broadcaster, I am genuinely excited about the electronic process which is available to the 12-member Citizens' Forum on Canada's Future.

I know that our private broadcasters have always been very supportive of ways to help soothe the wounds and foster greater understanding between Canadians. Within some sort of realistic framework, they and the cable community channels could grasp this window of opportunity to provide up-link satellite feeds. It would enable the greatest possible participation by Canadians from coast to coast to coast.

It would be wonderful to watch simultaneous town hall meetings in, say, Dundas, Ontario; Whitehorse, Yukon; and Corner Brook, Newfoundland, with the commissioners located in Trois-Rivières.

It can be done. Canada is an improbable nation. Keith Spicer and this commission face an improbable task, but our forefathers did it. In the name of our children, I feel a tingling sense of optimism that this citizens' forum will help keep Canadians united.

S. O. 31

[*Translation*]

MEMBER FOR CHAMBLY

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, with all due respect, I was astonished when I read the statement made by the member for Chambly, a member of the New Democratic Party to the effect that he won't be speaking for his party when he declares himself in favour of sovereignty-association, although he doesn't agree with the definition of the PQ, and he is against Quebec's independence. Before his election, M. Edmonston supported the Meech Lake Accord. Since his election, he has been against it. I wish to give a piece of advice to the member for Chambly, but not as member of the New Democratic Party: if a referendum is held, let his position be clear and unequivocal. I understand!

* * *

[*English*]

CHILD TAX CREDIT

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today in defence of thousands of Canadian children, children who may not see the Christmas they were promised by this government.

The finance minister's press release on Bill C-86, the advanced child tax credit, confidently stated that his government would:

> —expedite its consideration, so that prepayment of the—credit may be made in November.

November is here, but where is the bill? Questioned last week as to when it would be raised in the House, this government committed to nothing. Let me now urge the finance minister to re-read his own press release and to act and act now.

Low income families have made plans for their credit, taking the government's word that the cheque was as good as in the mail. I fear that children who can least afford it will be short-changed. Above all, I fear that in Canada the grinch who stole Christmas is not just a cartoon character; he is a minister of the Crown.

* * *

[*Translation*]

ITALIAN CANADIANS

Mr. Vincent Della Noce (Laval-Est): Mr. Speaker, I also want to echo the sentiments expressed by the hon. member for York West and all members of Italian descent who sit in this House. Yesterday the Prime Minister of Canada apologized to Canadians of Italian origin for the hardships caused by the government in office during World War II.

November 4 will be a historic day for people of the Italian community because justice was rendered at last.

After half a century of silence during which successive governments in turn failed to apologize for so unjustly incarcerating more than 700 Italian Canadians, most of whom lived in Montreal and Toronto, the Prime Minister of Canada, the Right Hon. Brian Mulroney, had the courage to re-open and correct a page of our history, an initiative which none of the previous governments ever did take.

Ever since I first entered politics, Mr. Speaker, I never thought I had made a bad choice when I ran under the Conservative Party banner.

Today I say publicly that I am proud to be a member of the Conservative government of Brian Mulroney, all the more so because this was the outcome of an electoral commitment to Canadians of Italian origin and to the whole Italian community—

The Acting Speaker (Mr. DeBlois): The hon. member for York Centre.

* * *

[*English*]

NATIONAL UNITY

Hon. Bob Kaplan (York Centre): Mr. Speaker, Canadians are entitled to look to the national political parties as instruments of national unity. In times of regional tensions like today, parties are expected to offer support for unity, each working out its concept for binding our country together.

In this connection, it has to be noted that members of the NDP seem to have developed two faces. Outside Quebec they present a face which continues to speak for a renewed and strengthened federalism. Inside Quebec, their sole MP, the member for Chambly, calls for a sovereign Quebec with an association in economic matters with the rest of Canada.

• (1430)

We know this message is attractive right now to many Quebecers, but it does not square with the party's policy outside Quebec. This is not a contribution to national unity. The NDP two-faced policy is a disgrace.

INDIAN AFFAIRS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, Senator Murray says that it is futile to examine native issues while the national unity debate is on. He says: "Wait until after the Spicer group reports in July of 1991". I think this is wrong-headed, and it could be disastrous for Canada and for native people. Things can be done, progress can be made parallel to Spicer.

I draw the government's attention to an eloquent speech by Roberta Jamieson, Ombudsman for Ontario and herself a native Canadian. Last September in Halifax she said: "The issues, native issues, should be resolved, not buried". All the provincial ombudsmen agreed with her proposal for a federal commissioner to mediate day-to-day issues regarding native people. This is positive.

I warn the government in my home province of British Columbia that the situation at the roadblock on the Duffy Lake Road, near Pemberton, is about to explode. We could see another Oka in British Columbia. Let us not see that. Let us move now on native issues.

* * *

[*Translation*]

COMMUNICATIONS ON THE LOWER NORTH SHORE

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, communications are extremely difficult year round on the lower north shore of the St. Lawrence River and in particular in the riding of Manicouagan.

The villages of Baie-Johan-Beetz, Kégaska, La Romaine, Harrington Harbour, La Tabatière, Mutton Bay, Aylmer Sound and Tête-à-la-Baleine are served by seaplanes in summer and by skiplanes in winter.

[*English*]

In the fall and the spring these isolated villages are linked by helicopter with the closest airport.

The basic necessities required by the people of these communities are obtained at great cost to them. The time has come for our government, in co-operation with the provincial government and with the local municipal authorities, to put in place the means to improve the transportation facilities on the lower north shore of the Gulf of St. Lawrence.

* * *

CRIME PREVENTION WEEK

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, as you know this is Crime Prevention Week in Canada. Police forces across this country have been fighting a tough war against the illegal drug trade on their streets and in their communities. Drugs have been cited as a major cause of violence and crime in Canada.

The federal government acquires large sums of money through its proceeds of crime legislation and through seizures of cash in drug investigations. It has the ability to redirect all or a part of these funds from drug seizures to local police forces to aid them in their difficult battle. Do not forget that it is these very police forces that often finance the investigations and put up the front money in these cases. This money often comes from municipal taxpayers.

I urge this government to begin sharing the seized proceeds of crime with other Canadian police forces on an equitable basis to maximize the effective use of resources and permit these police agencies to share in the assets that their work produces.

* * *

GOODS AND SERVICES TAX

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, last week in New Brunswick the Minister of Income Assistance announced that the Government of New Brunswick will exempt the goods and services tax credit from consideration as income so that those with lower incomes will benefit from the credit. In other words, in cases of need, there will be no erosion of assistance from the province of New Brunswick.

This is a positive move and the province should be congratulated for it. This virtually assures what we have been saying all along, that lower and modest income Canadians will be better off under the new system, the GST system.

[*Translation*]

SOVEREIGNTY FOR QUEBEC

Mr. Nic Leblanc (Longueuil): Mr. Speaker, this past weekend, the Prime Minister tried to convince us that federalism made economic sense for Quebec. What does he take Quebecers for?

The existing federalist monetary policy is disastrous for Quebec. Hundreds of businesses are going bankrupt because of the exchange rate. The furniture industry is in crisis. Pratt & Whitney is laying off more than a thousand employees.

It is obvious, Mr. Speaker, that the federal regime breeds economic instability in Quebec. Only if it were sovereign could Quebec demand a monetary policy promoting economic stability and growth in the province. Therefore, only in sovereignty can Quebec find the assurance of stability and growth.

* * *

[*English*]

CHILD HEALTH AND SAFETY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the 1989 report of the Canadian Institute of Child Health cited preventable injuries as the leading cause of death for Canadian children between the ages of five and fourteen.

All members will agree that the health of our children is everyone's concern. All sectors of society must work to propose innovative ways to address the causes of these injuries.

The Sifton Safety Home, promoted by the London, Ontario, board of education is a good example. The concept encourages home safety and seeks to reduce or eliminate child injuries in the home.

In the safety home, children are accompanied by teachers and parents. They move from room to room and are encouraged to identify and recognize household dangers.

For the 3,000 children who will visit the safety home this year, the experience offers first-hand reinforcement of what to look for and not to do within the home.

Programs like The Sifton Safety Home, a private sector and public sector sponsored project for children's safety should be lauded. Hopefully, it will be expanded into a children and youth educational program in the future.

ORAL QUESTION PERIOD

[*English*]

THE ENVIRONMENT

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister about the government's handling of the Rafferty-Alameda situation.

Last Thursday, the government's own lawyers went to court in Saskatchewan and asked the court to delay for six days, until this Wednesday, the government's request for an injunction to prevent the province of Saskatchewan from completing the Rafferty-Alameda project until there had first been a complete environmental assessment.

Now we learn that the federal Minister of the Environment has left the country and will not be back until the following week, November 13. This means he will not be available to be cross-examined on his affidavit. This means he will not be available to be a witness in the court proceedings that are starting, supposedly, next Wednesday.

In the light of these facts, how can the government be taken seriously when it says it wants to have the Court of Queen's Bench in Saskatchewan issue an injunction to prevent the Rafferty project from going ahead and not being completed before there is an environmental assessment, when it has allowed a key witness to be out of the country for two weeks and to be out of reach of the court proceedings for that entire period?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, there are several facts that the hon. member should be aware of, if indeed he is not.

Late last week the representatives of the Saskatchewan government filed very detailed and somewhat voluminous affidavits in the court prior to the hearing, which was scheduled for Thursday. As a result, the lawyers representing the Government of Canada quite appropri-

ately asked for enough time to file counter affidavits, which were filed by the deadline on Friday.

Those affidavits have now been filed before the court. They are available to the judge in question, and to all interested parties. The judge, and certainly the federal government is agreeable to this, has indicated that the hearings will proceed on this coming Wednesday without any delay. All of the evidence is now before the court. Our commitment to securing that injunction to stop work on Rafferty–Alameda is proceeding as scheduled. We are very hopeful that a decision will be reached on Wednesday or shortly thereafter.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the parliamentary secretary has failed to give any answer as to why the Minister of the Environment, a key witness in these proceedings, is going to be away, not until this coming Wednesday, but until the Tuesday of the following week, so that the province of Saskatchewan will be unable to cross-examine the minister on his affidavit, and so that he will not be there on Wednesday of this week to be a witness.

If the government is serious about this court action, why is it allowing the minister to be away? Is it not a fact that the government is just going through the motions and does not really want to have the court rule before the Rafferty project is completed?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Minister of the Environment, the critic for the New Democratic Party, the critic for the Liberal Party and another interested observer, a former minister in the previous government, are all attending a significantly important meeting in Geneva on climate change with respect to the emission of CO2. Mr. Speaker, I would suggest to you that if the Minister of the Environment had not kept his obligation to attend that ministerial meeting, then the opposition would be on their feet accusing us of having failed in our international obligations.

• (1440)

The appropriate information is filed before the courts in the form of affidavits. The Government of Canada will be represented. The Minister of the Environment will be represented by the appropriate lawyers and the proceedings will occur this coming Wednesday as scheduled.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the environment critic for the official opposition is not a witness in this case.

Mr. Gauthier: Right.

Mr. Gray (Windsor West): The environment critic for the NDP is not a witness in this case, but the Minister of the Environment is and he cannot be a witness through his lawyer.

I ask the Deputy Prime Minister, if it is so important for the minister to be at this conference which ends the 8th of November, why does the minister not come right back? Why is he going on to spend another five days not at this conference, but in London, England, briefing the High Commissioner on the Green Plan—something he has not done for this House—and meeting with environmental groups? Why is that more important than being physically present in Canada to testify on behalf of the federal government to get the injunction against Saskatchewan in the Rafferty–Alameda case? Why the extra five days? What is the explanation for that?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the question of the Leader of the Opposition really defies credulity, and it is an attempt to try and create an impression that is totally unjustifiable. The motion in front of the court in Saskatchewan is a motion for an equitable remedy for an injunction.

The evidence has been put before the court in the form of affidavits. It may or may not be the case, but there is no reason to believe that there will be motions to cross-examine on the affidavits. Those have not been put forward. It is not a trial. There is no viva voce evidence in this particular proceeding.

If for some reason the court should decide to grant a motion to cross-examine on the affidavits, it is quite feasible for the Minister of the Environment to return to Canada very quickly to meet that obligation. But there is absolutely no reason to believe that he would be required to do so, and it would be irresponsible of him to cancel this very significant international obligation on behalf of Canada in order to sit around wondering whether he would be called forward when it is highly unlikely that he will be.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the debate in this House over many weeks has centred around whether or not there was an informal agreement between the Minister of the Environment and the

Premier of Saskatchewan. I have in my hand the affidavit of Ralph Pentland, Director of Water Planning and Management Branch saying: "When the minister and the premier joined the officials, including me, for lunch, the minister and the premier seemed to have reached some understanding for a course of action. The minister described the concept he and the premier had been discussing".

What were those understandings? What was the agreed on course of action? What was the concept, I ask the Deputy Prime Minister?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am not a lawyer and there are times in my political career—

Some hon. members: Hear, hear.

Mr. Clark (Brandon—Souris): Mr. Speaker, it is unusual to have such unanimity of support in this House.

Mr. Speaker, I would have assumed, as a layperson, that one of the reasons we have a court system and appoint distinguished lawyers to be judges, is so we can take evidence of this nature, place it before the courts and let the courts decide.

We on this side of the House applied to the appropriate court in Saskatchewan to seek an injunction, because we believed that the agreement of January 26 had been broken. We have provided evidence of that fact to the court. The opposition to that request for an injunction has supplied its own evidence. But, surely, it is up to the courts, rather than the House of Commons, to decide how that hearing should proceed and what the results should be.

Some hon. members: Hear, hear.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister and the government are answerable to this House, not to the courts. This House wants some answers.

The minister's affidavit itself demonstrates clearly that over a period of weeks he was trying to bully the review panel into accepting—

Mr. Speaker: Just a minute. That is an accusation arising out of a court process. If this was a criminal case, of course, none of these questions would be order. It is a civil case and what is in front of the court right now is a conflict between the various people who have filed affidavits.

The hon. member's question went to the government and said what has happened, and I allowed it. But I have to say that if by picking up one affidavit or another that is going to be the basis of a charge against a member, I do not think that is an appropriate question to ask.

Perhaps the hon. member can rephrase her question, but I do not want it to be repeated as it was put.

Mrs. Catterall: Mr. Speaker, I think it is entirely appropriate for the House to be informed and I would hope the government would choose to respond—

Some hon. members: Oh, oh.

Mr. Speaker: I am trying to point out to the House that under the circumstances and the content of the question that was put, I feel that it is inappropriate. The House is undoubtedly going to be informed when a judge makes a decision. When there is conflicting evidence in front of the court, it seems very difficult to ask the House, or a minister, to decide which affidavit ought to be accepted. That is clearly a task for the judge.

If the hon. member has a direct question which goes to the root of government policy or government action then, of course, it is acceptable. I would ask the hon. member to consider carefully the way she puts the question.

Mrs. Catterall: Mr. Speaker, perhaps I could simply ask the Parliamentary Secretary to the Minister of the Environment what was the concept Mr. Pentland was talking about? What was the understanding and what was the course of action agreed upon?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, one of the difficulties, as you have already indicated, is that if hon. members stand in the House to read one of several somewhat conflicting affidavits, then we are at a bit of a disadvantage unless we are to take the House's time and read all the affidavits and place them before the House.

I would like to repeat what I said before. The fact is that this case is before the courts and it is up to the judge to make that judgment.

In response to the hon. member's question, let me also refer to another affidavit, which I am sure she has before her, even though she did not mention it, and that is of Norman Spector. He talked about the fact that Premier Devine visited with him and talked about a proposal. A proposal in my mind, again as a layperson, is very much different than an agreement.

Some hon. members: Hear, hear.

* * *

THE ECONOMY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Deputy Prime Minister.

In about a month, almost 16,000 more Canadian jobs have been lost. This weekend New Democratic leaders from across the country met to discuss the very serious state of the economy, and it is the same everywhere. Whether it is the family farm that is being devastated, fisheries, or the manufacturing sector, the economy is in big trouble.

The job losses mount each week with 310 jobs losses in Kamloops, 240 in Windsor, 370 in Brantford, 200 in McMasterville, 461 in Timmins, and so on. The list continues. These are people we are talking about and it is a very, very serious situation for Canadian families across the country.

There was a consensus by New Democratic leaders that a national crisis requires a national solution. I ask the Deputy Prime Minister, when will the Prime Minister be prepared to announce a first ministers' meeting on the economy so that all the provinces, territories, and the federal government can discuss this?

Some hon. members: Hear, hear.

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Prime Minister has commented on this, but I do want to say to the hon. member that I will be having a meeting with the finance ministers from the provinces. We have not set a specific date, but it is traditional at this time of year for us to get together to review the state of the economy, to review what policies might be put in place, both federally and provincially, and to consider this in the context of the budgets that will be forthcoming from all of our governments early in the New Year. At that time we will be able to address some of the concerns that she has very appropriately put before the House.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians cannot wait. It is a national crisis. Surely, it is serious enough that Canadians every day lose jobs. They do not know how they are going to put food on the table. Economic indicators again today from Statistics Canada indicate that the economy is going down. Surely, this is an important enough situation for the Prime Minister himself to meet with the premiers and to address the situation. The Minister of Finance has repeatedly told us his plan to meet the needs of the international money markets. Would the Deputy Prime Minister tell us what the government's plan is to meet the real needs of Canadians, to do something about creating jobs, and to make the economy more healthy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have been quite clear what the plans, proposals, and strategies should be to address the current weakness in the economy.

We have indicated that as soon as we saw the weakness developing in the spring of this year, we could see a reduction in interest rates. That reduction has continued through. We have had about one and a half percentage points since the peak of interest rates in the spring of this year.

As the weakness in the economy continues and as we see a continuation in the easing of inflationary pressures, we should be able to see a continuation of that drop in interest rates.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Minister of Finance. He talks about addressing the inflation rate, but the government and the Minister of Finance are prepared to introduce the GST which, by the government's own admission, is going to increase inflation. From that we have to assume that the interest rates will go up again.

If the Minister of Finance is serious about the inflation rate and if he is serious about having lower interest rates and yet by introducing the GST is going to increase inflation, will the Minister of Finance withdraw the GST now and keep the interest rates down?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member makes reference to the goods and services tax. I am sure she knows this, but I draw to her attention that the goods and services tax is going to lower the cost of new investment, new buildings, new plants, new equipment, and new technology. As that new technology, investment, plant, and equipment come on stream, jobs will be created in construction. The competitive position of the Canadian economy will be improved.

While my hon. friend is correct in that there will be a one-shot 1.25 per cent increase in the cost of living, the ongoing impact of the GST is to reduce the inflationary pressures. It will reduce the cost of production of businesses, whether agricultural, fishery, resource, manufacturing, or service sector businesses. So, in a very real way, it will reduce inflationary pressures on an ongoing basis.

The important point that I think I should address in the hon. member's question is the simple fact of the 1.25 per cent increase in the cost of living does not mean that interest rates will go up. What the Bank of Canada has said on an ongoing basis is that it will be looking at the underlying rate of inflation in the economy. If that continues to ease, as it has, then we will be able to see some reduction in interest rates.

Some hon. members: Hear, hear.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is directed to the Minister of Finance. The continuing growth in the federal deficit has not only led the government to borrow offshore, but it has drained domestic savings to the point where the private sector, too, must look abroad for its borrowings. As a result, Canadian funds in the form of dividends or interest payments are going abroad at an accelerating rate, pushing the current account deficit to record levels.

Can the Minister of Finance tell the House what he plans to do to stem this increasing flow of Canadian wealth abroad?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the very clear direction that we have been following for the last six years is to get the federal government deficit down. We have been successful in getting the federal government deficit down against the opposition of the hon. member's party, not him, I might say, but all his colleagues in the House of Commons and in the Senate today with the opposition to the GST. In every way that we have turned to get the deficit down, we have been met by opposition from the members opposite.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): I hear the hon. members cheering that we are not getting the deficit down fast enough. They are doing this, Mr. Speaker—

Some hon. members: Shame.

Hon. Roy MacLaren (Etobicoke North): The minister knows very well, Mr. Speaker, that the debt has more than doubled since his government came to office. The minister also knows very well that the deficit is at a very high level, near the record levels of the past years. The minister knows that as well as I do. The Minister of Finance also knows that Canada can attract foreign funds only if the Bank of Canada maintains its high interest rate policy. Yet, it is that very same policy which is sharply eroding business profits, causing unemployment, and hindering the essential investments in our future.

How does the Minister of Finance propose to correct Canada's growing foreign imbalance when his own policies are crippling our export industries?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says we made no progress in getting the deficit down. I should remind him it was $38 billion in the last year of the government that he was a part of. In the last year, it was $28.9 billion. As a per cent of our economy, it has gone from 6.7 per cent to 3.1 per cent of our economy, so we are making very real progress.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): What I would say to the hon. member is he cannot have it both ways. Every time we have brought out a budget to get the deficit down, each one of the items that we have proposed to use to get the deficit down, his party, his colleagues, have opposed.

I agree with him, we should be getting the deficit down. But if the Liberal Party would stop sucking and blowing, we might get some more progress here.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

[*Translation*]

THE CITIZENS' FORUM ON THE FUTURE OF CANADA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, last Friday, in this House, the Acting Prime Minister said that no more people could be added to the membership of the Citizens' Forum on the Future of Canada, chaired by Mr. Keith Spicer. There will be no room for francophones, for people north of the 60th Parallel, and for a wide spectrum of ethnic communities. Yesterday, before the National Convention of Italian Canadians in Toronto, the Prime Minister was saying and I quote: "That there was room for additional appointments".

Mr. Speaker, the question that arises today is this: Whom are we to believe? The Prime Minister, who says anything, anytime, to woo Canadians, or the former Secretary of State, who told us Friday that there was no room for additional people on that commission?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think that all members of the House would agree that the panel that forms the membership of this very important instrument is made up of very distinguished Canadians who represent all walks of life and, I think, represent a very good cross section.

What is important to recognize is that these individuals are not intended to act as representatives for any one specific group or another. They are part of a group which will facilitate and encourage dialogue and discussion so that a consensus can emerge.

What is most important is the facility to allow all Canadians, regardless of where they come from, regardless of who they are, regardless of what walk of life they are engaged in, and regardless of what ethnic composition they come from, to have a clear opportunity to come forth before this panel, represent their views, engage in the dialogue and allow themselves to be heard so that all Canadians can take advantage of it.

• (1500)

I think that is the most important feature, and I regret that the hon. member has lost the thrust of this whole function.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Deputy Prime Minister has lost the question. It is a simple one.

Are there going to be additions? Yes or no.

No answer.

During a radio interview this weekend, Keith Spicer, the new chairman of the Citizen's Forum, said: "We will create a receptive climate in English Canada for the Quebec Bélanger-Campeau commission's recommendations, especially if they are radical".

My question: Who gave chairman Spicer the new mandate to create a receptive climate in English Canada for the Bélanger-Campeau commission's recommendations if they are radical, and do tell what this mandate means? Please do tell.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the mandate is pretty clear. I have it in my hand. It was tabled in the House of Commons last Thursday, and I ask the hon. member to re-read it.

Perhaps he will get an idea of what the mandate is all about. When he is suggesting that there should be additional members, how many members is he proposing? Does he want to expand it to 24, 50 or 100?

Mr. Speaker: I must remind the House that it being three o'clock, we need the consent of the House to continue Question Period.

Some hon. members: Agreed.

Some hon. members: No.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I recognize that we started Question Period late today because of the intervening vote.

Usually, with these kinds of things we work them out in discussions with the opposition in advance.

We had certain agreements as to what was going to occur this morning, and that turned out to be a surprise to us different than what we expected, which disappoints me.

Some hon. members: Oh, oh.

Mr. Andre: Mr. Speaker, you can well understand that my cabinet colleagues will have commitments that they made and meetings they have to attend.

I have no problem agreeing to an extension of Question Period for the benefit of the opposition, if in turn it will acknowledge that some of my cabinet colleagues will have to leave. They may not be here for their questions.

Mr. Speaker: The Chair has made it clear that we cannot continue without consent. Is there consent to continue?

Some hon. members: Agreed.

* * *

PERSIAN GULF

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of National Defence.

Canadians are very concerned about the extent to which our policies in the Persian Gulf are being driven not by our Canadian–UN peacekeeping role, but rather by election strategies in the White House.

I ask the minister to confirm that our squadron of CF–18s in the gulf has come under the effective tactical control not of Canadians but of a U.S. air combat director aboard a U.S. cruiser. Will the minister indicate what concrete efforts Canada is taking to bring all troops in the Persian Gulf under effective UN command and not under U.S. command?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, without for a moment agreeing with any of the premise of the hon. member's statement, the Canadian squadron of CF–18s is under a tactical control.

The hon. member should understand what that means. That means there is information fed through at least three separate vehicles to a controller. The command of the aircraft is strictly under the command of a Canadian.

Our allies who we work with in the gulf understand fully Canada's rules of engagement, and therefore they have been informed prior as to what commands Canadians can accept or reject.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, quite clearly it is the U.S. that is calling the shots in terms of tactical control.

My supplementary question is to the Secretary of State for External Affairs.

Ten days ago, the minister deeply alarmed Canadians with his dangerous sabre rattling talk of Canadians dying in a gulf war.

I want to ask the minister whether he now recognizes that as U.S. Senator Sam Nunn, has said: "War would be a bloody and costly effort. We ought to give all other options, including the embargo, a chance to work." Does the minister recognize and agree with that and, most important, will the minister now finally agree that no offensive military action should take place in the gulf without a clear United Nations mandate and, most important, without a full debate and vote of the Parliament of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a curious irony that a party that is so deeply anti–American as the New Democratic Party is should find itself capable only of believing a proposition when it comes from the words of a United States senator.

Of course I support the view that was just quoted, by Senator Nunn. I have been saying that, as members of this government have, for some time. Indeed, the reason that we are there and the reason that we are making it clear that we intend to follow through on Canada's commitment with respect to sanctions and with respect to moving Saddam Hussein out of Kuwait is precisely because we know that he does not believe paper tigers. We know that he will only take seriously the threat of action by Canada and by other nations if it is clear that we intend to follow through on the actions that we have forecast. Of course, we would prefer to do that through the United Nations.

That is why Canada has been working so very diligently, and with some substantial effect, to try to achieve unanimity within the United Nations. We are still doing that. We would prefer a United Nations command, but we do not want Saddam Hussein to believe that the world will simply walk away and there will be no carrying forward on the positions that have been taken in the

United Nations and elsewhere if, per chance, there is a veto by one nation, one member of the Security Council. We do not intend to have the broadly supported position of Canada on this question under-cut by a potential veto by some other country in the United Nations. Surely that is sensible.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the same minister on the same subject. It is reported that Secretary of State Baker has been visiting a number of senior government officials in those countries which are participating in the multinational force to determine in fact if they are prepared to engage in offensive actions against the Iraqis in Kuwait.

I want to ask the Secretary of State if, in fact, he has had those consultations yet with Secretary Baker or are such consultations planned, and does the Secretary of State intend to make Canada's position clear, that we do not want to participate in any offensive action against the Iraqis and will give sanctions a proper and long-term opportunity to work their way out and force the Iraqis to withdraw without the use of force.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may be some help if I quote the words of Mr. Baker as they appeared in the Sunday *Gazette*:

> "The overall purpose of the trip is to discuss, with our coalition partners, strengthening the full range of measures that we have taken to isolate Saddam Hussein—and thereby to lay the foundation for the possible—execution of all options,"—

Certainly, from Canada's point of view, the option that we prefer is an option that demonstrates enough strength to Saddam Hussein that he, peacefully, leaves Kuwait. That is the purpose of our policy; that is the policy that we have been pursuing actively.

Is there consultation with the United States? Of course there is, as there is with the other countries, the broad array of countries, 25 of which have troops of one form or another in the region, a wide range of which are associated through the Security Council and other actions of the United Nations.

Will there be debate in this House? There was debate in this House. There was the recommendation from this House that the matter should be carried on to the Standing Committee on External Affairs and International Trade. It was before that committee that my colleague, the Minister of National Defence, and I appeared. We are prepared to come again. The Ambassador to the United Nations will be there. We certainly are going to take every step we can to ensure that Parliament is fully involved in the discussion of this issue. We have been doing that; we intend to continue to do that. We intend to have Canada meet its international obligations.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, we would still like to know whether in fact Canada has been directly engaged in this round of consultations with Secretary of State Baker because it seems that with the impending U.S. Congressional elections, that would be a very major turning point. Would the Secretary of State would answer that question?

I also wish he would respond to the plea that was contained in yesterday's *Calgary Herald* in a letter written by a Canadian nationalist who is being detained in Iraq who said that he feels betrayed because we have not sent a special envoy.

• (1510)

I ask the minister if the government has now decided whether to take some special actions, such as sending a delegation, or would it be asking the Secretary General of the UN whether he would undertake to go to Iraq and make the case to free the foreign nationals presently detained by the Iraqi government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all, I am in regular touch with the foreign ministers of other countries which are involved in the large coalition of nations that want to have Saddam Hussein leave Kuwait.

Second, with respect to persons who are there against their will, we naturally want to have them freed. I have indicated privately to the hon. member, and I think publicly on other occasions, that there will not be an official mission on the part of Canada to seek the release of these persons because we think that would be used for propaganda purposes by the Saddam Hussein regime.

I am aware that there is consideration being given by some persons respecting unofficial trips. I think we would want to consider carefully whether public discussion of the possibility of unofficial envoys will speed up or slow up the return to Canada of Canadians who want to leave Iraq and cannot now.

CHILD TAX CREDIT

Mr. John Manley (Ottawa South): Mr. Speaker, in the absence of the Minister of Finance, I will direct my question to the government House leader.

Given that there are only 49 days left until Christmas, and about 66,000 Canadian families which are expecting their child tax credits paid in advance as promised by the Minister of Finance, will he tell the House when he proposes to bring forward the legislation to authorize the advance payment of these child tax credits, given that the opposition is willing to expedite its passage?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am aware that there is an interest on the part of the opposition to expedite this piece of legislation, if not the rest of our legislative program. Certainly I am prepared to engage in those discussions.

I have one concern. It is something I would ask the hon. member to think about and perhaps come up with some suggestions. We can get it through this House all right with agreement on all sides, but what do we do with the other place, which is having difficulty even starting a debate on GST?

Some hon. members: Hear, hear.

Mr. John Manley (Ottawa South): Mr. Speaker, perhaps the minister has forgotten that his party commands a plurality in that House. He had no trouble recently getting through legislation that cut back on social programs. Perhaps he is afraid that Trevor Eyton and the boys will not pass this one.

Some hon. members: Hear, hear.

Mr. Manley: Last week, we were trying to find out what the government proposed to do for the poor people of Canada in the face of the recession. Here is something they can do. Why will he not make a commitment to move forward on this legislation?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, of course we are committed to moving forward on this legislation.

Some hon. members: Oh, oh.

Mr. Andre: The concern is not the senators in the plurality. It is Allan MacEachen, Royce Frith and his crowd that are holding things up over there.

Some hon. members: Oh, oh.

Mr. Epp: The place of the living dead.

Mr. Andre: The concern of the hon. member for low income Canadians receiving their cheques before Christmas is well placed. I hope he remembers that part of the GST package is to send before Christmas—

Some hon. members: Oh, oh.

Mr. Andre: —the sales tax rebates. I would hope their concern for these low income Canadians would extend to both the child tax credit and the GST tax rebate.

Some hon. members: Hear, hear.

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RAFFERTY–ALAMEDA PROJECT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is addressed to the Deputy Prime Minister. It concerns the very serious matter of the Rafferty–Alameda project.

The minister will know that the premier of Saskatchewan has sworn that he informed the Prime Minister's Chief of Staff and the Prime Minister's parliamentary secretary about an agreement he concluded with the federal environment minister.

My question is this: Did Mr. Spector or the Prime Minister's parliamentary secretary inform the Prime Minister that the premier of Saskatchewan felt that he had an agreement with the Minister of the Environment? Was the Prime Minister aware?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, again we are returning to the matter which was raised earlier in this House today with respect to a series of affidavits which have been filed before the court. It is the responsibility of that court to evaluate the material contained therein.

We assume that the court will reach its judgment on Wednesday, or shortly thereafter, in assessing the various affidavits.

The hon. member refers to the Prime Minister's Chief of Staff. Perhaps he might want to read that person's affidavit. He might want even to read it into the record of this House, because he will discover that the Prime Minister's Chief of Staff refers specifically to a proposal

which Premier Grant Devine had spoken of, but it does not in any way refer to an agreement.

Surely we are in a very real sense wasting the time of this House in discussing a matter that is properly before the courts in the province of Saskatchewan, and it will be concluded there.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, first of all, it is going to be very interesting to see if the judge indeed makes a decision as to who is not telling the truth here.

My real question is: Did the Prime Minister know? As well, in his affidavit, the Minister of the Environment admitted in several instances that he attempted to influence the panel. Under section 22(b) of the EARP guidelines it specifically states that the panel should be free of interference.

My question to the Deputy Prime Minister is that the actions of the minister are akin to jury tampering. Can this government assure us that the minister—

Mr. Speaker: Just a moment. The hon. member may have his own opinion as to these entire proceedings but, as I had to say to another member earlier, those opinions cannot be by way of accusations in this House. If the hon. member wishes to put a question and make it a careful question that the government is in a position to respond to and does not stray into accusations and charges, then I will hear the hon. member.

Mr. de Jong: If I may, Mr. Speaker, the Minister of the Environment, in his own affidavit, stated that he made several attempts to communicate with the panel and to get the panel to agree to certain timetables. This, we maintain, is contrary to the EARP guidelines.

My question therefore is as follows: Can this government assure us that the minister's resignation will be sought immediately, at least until this matter is cleared up?

Mr. Speaker: The hon. member for Abitibi.

* * *

[*Translation*]

RAILWAY TRANSPORTATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Transport. Repairs on the CN Franquet–Chapais railway line in Abitibi have been completed since June 29, 1990. Mining companies in Chapais and Chibougamau have asked CN management in Montreal to run ore shipments on this line right away.

Mr. Speaker, my question is this: Does the Minister think it is economically sound to keep shipping the ore via a 700-mile detour that is no longer necessary? If not, will the minister urge CN management to take action as requested by these mining companies, as soon as possible?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, CN has appealed the decision. There is a procedure that must be followed in such cases. I do not and I must not get involved in the daily operations of this Crown corportion.

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QUEBEC'S RIGHT TO SELF-DETERMINATION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is directed to the Deputy Prime Minister. On the weekend, the Quebec wing of the Progressive Conservative Party approved a resolution recognizing Quebec's right to self-determination. This right forms the basis of a movement towards sovereignty that is taking place now in Quebec. My question is this: Does the government endorse this resolution by the party's Quebec wing?

An hon. member: Very good question!

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, in fact—

Mr. Speaker: Order! One moment please! This is not a question about government administration.

The hon. member for Lac-Saint-Jean, on a supplementary.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I have a supplementary. This is the fundamental issue on which the future of this country depends. Would the House of Commons not be interested in a fundamental right that will determine the future of Canada and Quebec, Mr. Speaker? This is an essential issue that will loom large in the background of all political parties in Canada and Quebec during the coming year. I think that—

Mr. Speaker: Perhaps the hon. member is right, but my task is quite clear. The question must be acceptable under the Standing Orders of the House, and that is my decision.

[*English*]

I have to advise hon. members that Question Period is concluded.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of an Australian parliamentary delegation led by Senator John Olsen.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

VIMY MEMORIAL SERVICE

Mr. Bill Kempling (Burlington): Mr. Speaker, yesterday hundreds of people congregated on a few acres of France that are forever Canada. They came to the lovely park land containing the Vimy Memorial.

Every November, crowds of French citizens join our own dignitaries and troops at the special service of remembrance to commemorate the 60,000 Canadians who were killed in the First World War.

The memorial itself stands on top of Vimy Ridge, the site of Canada's first and greatest victory. Our soldiers had been drawn from armies to form the Canadian corps in an attempt to take the heavily defended ridge. On April 9, 1917 they succeeded and won everlasting respect. My father was in that battle.

The French government graciously granted Canada some of that historic site in perpetuity. As I said, hundreds of French men women and children went there yesterday and joined our ambassador to France, Mr. Claude Charland, in paying tribute to those Canadians who fell in the First World War.

Let Canadians do the same on Remembrance Day.

Some hon. members: Hear, hear.

[*Translation*]

WHETHER QUESTION IN ORDER

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I wish to raise a question of privilege regarding what happened earlier when I put a question in this House.

There is a Constitution in this country and there are public statutes. There is a government, and within that government a department responsible for federal-provincial relations. This department is responsible for managing relations with members of the federation, and therefore one of the important questions, Mr. Speaker, is how relations between members of the federation and the central government are managed.

When a member of Parliament rises in the House to ask a minister of the Crown, a senior cabinet minister, and I am referring to the Deputy Prime Minister, to tell the country how he intends to subordinate the rights of nations to federal-provincial relations, I submit, Mr. Speaker, that this is a matter that directly concerns the House. If any question should concern this House above all others, it is democracy, the future of the people of Canada and the future of the people of Quebec.

Mr. Speaker, I fail to understand why statements made at a party convention about Quebec's right to self-determination are considered in such a restrictive light that a government is under no obligation to inform this House what it intends to do.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the rules of the House are very clear. I am moved to observe that if the hon. member is so interested in the proceedings of the Quebec wing of the Progressive Conservative Party, he should ask himself why he was so quick to leave it.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I also wish to rise in this debate, because I wonder why our government or a minister of the Crown cannot answer this kind of question when in 1952, the Right Hon. Louis Saint-Laurent supported Resolution 673 at the United Nations which was precisely about the right of nations to self-determination. This position was again taken by the UN in 1960, in Resolution 1514, which was

at the time supported by the Right Hon. John Diefenbaker.

Mr. Speaker, I think that in the past, similar questions were put to various ministers and those questions were answered.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the question is an important one, and we on this side of the House would like to know, first of all, why a reply to the question was not allowed. The government may or may not answer a question. Although, this government doesn't make a habit of answering them, the question was put quite clearly. We fail to see why the hon. member did not receive a reply to his question. We would like to know why the Chair did not allow a reply, and we would like the government's opinion. Are they prepared to answer the question, yes or no? That's all.

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am looking for the right citation in Beauchesne's. I just cannot put my finger on it at the moment.

Quite clearly the purposes of Question Period are to provide the opposition with an opportunity to obtain information about the actions, programs, or policies of the government. They have to do with the competence of the government.

Questions about what members of the government in their other capacity as members of a political party in discussion somewhere else are not relevant to the government. They simply are not, as provided in the rules, in Beauchesne's, about the purposes of Question Period.

Your Honour was exactly correct in suggesting that it is not proper to put to members of the government questions pertaining to discussions held that do not deal with the responsibilities of cabinet ministers under their Privy Council oath, do not deal with responsibilities of ministers in respect of their departments, do not deal with decisions or actions of the government, but in fact deal with the actions of a political party to which members of this government belong.

Those are actions and decisions of the political party; they are not actions and decisions of this government. Hence they are not appropriate for Question Period.

As to the generalized supposition that these issues of constitutionality and so on are important to the country and should be debated in the House, indeed they are. There are all kinds of appropriate fora or occasions for the discussion and debate of such issues in this House.

Question Period is not the appropriate time. It is not provided under the rules that members of the government should be called to account and questioned about actions they participated in as members of a political party. It is simply not appropriate for Question Period.

[*Translation*]

Ms. Sheila Copps (Hamilton East): On the same point of order, Mr. Speaker. Last week, we were all very pleased to let the Prime Minister speak on the future of Canada. Now, a minister of the Crown says that he does not have the right to answer the question put to him by another member regarding Quebec's ability to decide its own future, its self-determination, when it is clearly a legitimate question for the government. I am quite sure that the Quebec lieutenant of the Prime Minister would like, with unanimous consent, to clarify the matter. I am convinced he is willing to do so— I remember very well, Mr. Speaker, that when we were the gouvernment, we were asked questions on our policies, like the one regarding cruise missile testing. From time to time, political parties have messages for the government.

I would think that the question is in order, and that members of this House would be willing to set the rules aside in order to give the minister a chance to speak on this most important question for the people of Quebec. I would like to have unanimous consent for this. Are we ready to give it?

[*English*]

Mr. Speaker: The hon. member for Hamilton East, with reference to my ruling of a few minutes ago, has asked if the House would give the unanimous consent for the minister to answer the question. Let me make it very clear: the hon. minister does not need unanimous consent to answer the question.

What I was pointing out as your Speaker is that, as the question was framed, to my mind it was out of order. There are other ways to ask a question on the same subject matter. I have to interpret the rules. I was not saying that the minister could not answer it. I said that, as asked, I think it was out of order.

If the minister wants to answer it, that is up to the minister. If the House wants to revert to questions and the minister wishes to rise, then of course the Speaker is in the hands of the House.

• (1530)

[*Translation*]

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): If the House would allow me to answer the question put by the hon. member for Lac-Saint-Jean, I think that would help clarify the situation.

Mr. Speaker: Order, please. Unanimous consent is required to ask the question again but none is required to provide a reply.

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): With your leave, Mr. Speaker, I would like to clarify the resolution that was approved on the weekend, and I hope this will help—

An hon. member: Mr. Speaker, on a point of order!

Mr. Bouchard (Roberval): You gave me permission to answer the question put by the hon. member for Lac-Saint-Jean. I would appreciate it if the hon. member from British Columbia—

Mr. Speaker: Excuse me. One moment, please!

Mr. Bouchard (Roberval): Mr. Speaker, I am already on my feet!

[*English*]

Mr. Barrett: Are we still in Question Period, Mr. Speaker?

Mr. Speaker: Perhaps I could explain to hon. members what has occurred. A point of order has been raised by the hon. member for Lac-Saint-Jean concerning a question which he put in the Chamber. At that time I felt that the way the question was put did not accord with the rules. The hon. minister had every right to answer if he had wished to. I was not precluding him from answering.

Having listened carefully to the point of order that has been raised, I want to make it very clear that I did not preclude, nor would I ever presume to preclude, a minister answering a question if he wished.

The minister has indicated that he wishes to give a response to the hon. member for Lac-Saint-Jean. All I need is the consent of the House to revert back to questions, which is a procedural thing. I thought I had that consent and on that basis I represented the hon. minister. The hon. minister.

[*Translation*]

Mr. Bouchard (Roberval): Mr. Speaker, I think my explanation regarding the resolution passed Saturday at Mont-Sainte-Anne will satisfy hon. members. The resolution proposed by representatives of the riding of Louis-Hébert recognized Quebec's right to self-determination.

Mr. Speaker, I think the Quebec Conservatives approved this resolution to the extent that it is already part of the United Nations Charter of which Canada is a signatory. This does not, and I am thinking particulary of the debate that is starting on the future of Canada and Quebec, in any way anticipate the decisions that will be made.

The convention in Quebec felt that one could hardly vote down this kind of resolution, just as the United Nations, were not thinking particularly of Quebec or Canada at the time they accepted theirs, did not anticipate the decisions or solutions Canada and Quebec will make or choose. We approved the resolution in a spirit of openness, and I think the question is a valid one and the answer remains valid, insofar as we are talking about self-determination which, once again, was approved by the UN Charter and applies to all peoples.

That being said, I think the question was in order, and we accepted it, but, I repeat, we did so considering the fact that at a time when Canada and Quebec are about to get involved in fundamental discussions on each other's future, we felt it was a valid question.

Once again, Mr. Speaker, we are talking about a decision made by the Quebec wing of the Progressive Conservative Party. That being said, I think the decision made in Quebec was an excellent one, and I want to congratulate my Conservative colleagues in Quebec for making that decision, Mr. Speaker.

Mr. Speaker: The honorable member for Lac-Saint-Jean on a supplementary.

Hon. Lucien Bouchard (Lac-Saint-Jean): To start with, I wish to thank the minister for explaining to us the ins and outs of the resolution adopted by the Quebec caucus. My question to him is this: Can the government—since there is a government in front of us—through its minister, tell us if it accepts the principle that Quebec has the right to self-determination? That is my question, Mr. Speaker!

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I repeat again to the member for Lac-Saint-Jean that—

Some hon. members: Oh, oh!

Mr. Bouchard (Roberval): Mr. Speaker, when the member for Lac-Saint-Jean was minister, he did not appreciate such outcries. I would hope that he will behave in the same manner now that he is across the way.

What I say to him is this: It is a resolution adopted by a wing of our party, the Conservative wing of the Conservative Party. Mr. Speaker, the government deals with recommendations the same way the Liberals and other parties do.

[*English*]

Mr. Speaker: I would think that under the circumstances hon. members would give the minister the courtesy of hearing his response. He is trying to make a very extensive response to a question which the House has consented to hear, when that would not ordinarily be the case. The hon. minister.

[*Translation*]

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, indeed, I think the debate is too serious and the matter too fundamental to be treated in a partisan way in the House of Commons. I am sure there are partisan intentions behind the question. At a time when we are discussing once again those fundamental issues, the Quebec wing of the Conservative party made a recommendation to the government which will deal with it according to the normal process. Therefore, because of the seriousness of the issue, I think we should avoid any partisanship, Mr. Speaker.

Hon. André Ouellet (Papineau—Saint-Michel): I rise on a point of order, Mr. Speaker, because I think you have ruled, and very rightly, that it was essential that the question put to the cabinet had to do with governing operations. The hon. member for Lac-Saint-Jean rephrased his question which was then in order. He asked the minister whether the Tory government was willing as a matter of government policy, to accept the resolution passed by the Quebec Tory wing at their convention over the weekend. Now, the minister, and this explains my point of order, Mr. Speaker, in rising to answer a question which you had then ruled in order, took the oportunity to answer, not as a minister and member of the Canadian cabinet but strictly as a militant Tory politician from Quebec as if he had been dealing with this question at a political convention. Hence his answer was not in order since it did not give the government's real answer that is whether or not they accept as government this resolution passed by militants over the weekend.

Mr. Gauthier: That is the question.

Mr. Speaker: The best solution might be for him to ask another question tomorrow.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

SIXTH REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Public Accounts.

The public accounts committee's sixth report, which I have the honour to table today, deals with controls over grants administered by federal departments, agencies and Crown corporations.

The committee identified a number of procedures which, if adopted by grant-giving agencies, would improve controls and accountability for grants. For example, the committee recommended co-ordination of instalment payments with enhanced reporting and monitoring of grants where the size or the dollar value of the grant makes it cost-effective to do so.

Another major recommendation in the report dealt with the accountability of granting agencies for repeat funding of the same organization year after year and called for triennial reports to Parliament on recurring grants, justifying them in terms of competing demands

for scarce resources, benefits to Canada and to the recipient.

The committee also recommended that resources be allocated to program evaluation and that unused portions of grants be recovered.

The government has been requested to table a comprehensive response to this report within 150 days.

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

* * *

[*Translation*]

CANADA–EUROPE PARLIAMENTARY ASSOCIATION

TABLING OF TWO REPORTS BY THE CANADIAN DELEGATION

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table in the House, in both official languages, two reports of the Canada–Europe Parliamentary Association: the report of the Canadian Delegation to the Debate on the parliamentary dimensions of the CSCE organized by the Parliamentary Assembly of the Council of Europe, and the report of the Canadian Delegation to the annual OECD Debate of the Parliamentary Assembly of the Council of Europe. Those meetings were held in Strasbourg from September 26 to October 4, 1990.

• (1540)

[*English*]

Mr. Speaker, I draw to the attention of members of the House the parliamentary debate on security and co–operation in Europe because it is centred on the new Europe. I think that members should look at the report because it has dimensions for Canada's future involvement in the Europe that is forming, not only the 12 nations in the European family for economic reasons, but rather for reasons of security.

The debate centred upon the formation of a new body, the assembly of Europe. Members of this House should read with care and decide whether this House should become involved in the debate on the future of Europe and what Canada's role should be.

As I have said, all the countries in Europe unanimously wanted to model their new assembly of Europe on the Council of Europe's rules. Canada did not feel that this was the way to proceed. In fact, an assembly of Europe with responsibilities for the security of the new Europe should be based on the rules that such an assembly of parliamentarians would like to bring into being.

I encourage members to read this report and come forward with suggestions as to whether this House should formally debate Canada's position in a new Europe because clearly it is starting to develop, and it should be done with care.

* * *

RACIAL TOLERANCE

DISSEMINATION OF INFORMATION

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I rise today to seek consent to propose a motion which will be put without debate or amendment. The motion would be seconded by the member for Vancouver East and reads as follows:

> That this House rejects any attempt to use our country as a platform from which to disseminate knowingly misleading, inaccurate and false statements about the Holocaust and Nazi prosecution of the Jews and other people before and during the Second World War and that this House deplores utterly and categorically all those who wish to spread a message of racial discrimination and hatred on the basis of colour, religion, ethnicity or culture.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there consent regarding this motion put forward by the hon. member for Saint-Laurent—Cartierville?

[*English*]

Mr. Cooper: Mr. Speaker, I wish to indicate that the government is happy to support the motion.

Some hon. members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Thus, there is consent and the motion is adopted.

Motion agreed to.

* * *

PETITIONS

GOOD AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have the duty to table before the House a petition certified correct pursuant to Standing Order 36, stating that a tax on books, newspapers and magazines is positively regressive. These petitioners from my riding of Carleton—Gloucester and the Ottawa and Montreal area maintain that the uninhibited dissemination of the printed word is a cornerstone of our democracy, education, culture and leisure activities. They suggest that a

productive society can only be negatively affected by such a provision aimed at taxing reading.

The undersigned humbly pray that Parliament to reaffirm the historic principles embodied in the tax-free status of the printed word by retaining the zero rate in the GST to be implemented January 1st, 1991, so that this government does not go down in history as the government that taxed reading.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table a petition signed by a number of Canadians citizens who are against the imposition of the GST on books, newspapers and magazines. This measure is really a tax on reading.

[*English*]

These people ask Parliament to reject the GST on learning and reading and that it do so as soon as possible.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today, as I have risen many times before, to present a petition from people of my riding concerned with the goods and services tax.

In this petition, they state that the Minister of Finance's proposed goods and services tax is an unfair form of taxation because of its lack of regard for a taxpayer's ability to pay. They also state that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax, while forcing lower and middle-income taxpayers to bear more of the national tax burden.

The petitioners call upon the government to reject the goods and services tax and to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise, pursuant to Standing Order 36, to present a petition signed by hundreds of Canadians from coast to coast with regard to the goods and service tax, and most particularly with regard to the goods and services tax upon books.

The petitioners call upon Parliament, as do Canadians across the country, to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation.

If we are going to have this pernicious tax, at least let us make sure that books and newspapers remain free of it.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I also have the duty to table a petition.

Governments in Canada have seen fit over the years to apply a zero rate tax on magazines, books, and publications such as newspapers. This Tory government now proposes to include them in the general tax of the GST.

These petitioners pray that the government will see fit not to tax books, not to tax learning and to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations as they apply to books, newspapers and publications which are culturally oriented.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour today to present on behalf of numerous Canadians a petition which has been certified and which calls upon the government not to proceed with its pernicious and foolish goods and services tax which virtually all Canadians oppose.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have a series of petitions from people right across the country who complain and, indeed, criticize the government for the GST application to books.

The petitioners state that since Confederation, without hiatus, the practice of the government has been to apply a zero rate of tax to magazines, books and newspapers. The government now proposes to include it in the GST. The petitioners want the government to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present a petition on behalf of many Canadians with regard to their opposition to the GST.

A virtual litany of frustration and despair among our Canadian people continues as day after day we seem to be knocking on a door that will go unanswered for some time with regard to this taxation.

The people of Canada are indeed frustrated. I would only hope that some place along the line the government will come to its senses and rescind the GST which was passed here in the House.

• (1550)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I stand with the rest of my colleagues, pursuant to Standing Order 36, and bring to your attention that 86 per cent of Canadians do not agree with the imposition of the regressive and poorly-conceived goods and services tax, in particular as it applies to books, magazines, and newspapers.

These printed words are the corner-stone of democracy, education and culture. A literate and productive society cannot afford a tax on that kind of thinking which is food for the mind as it is food for the soul.

These people say it is hard to believe that the government has spread its net so wide as to trap the Bible and the Koran. The Prime Minister agrees that books should not be taxed and the Minister of Communications agrees that books should not be taxed. It is too bad that they cannot convince the Minister of Finance not to tax books, and believe and listen to the people of Canada.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition signed by many people in several communities in the province of Ontario. They note that never since Confederation have we had tax on books, newspapers and magazines but this government is going to apply the GST to newspapers, magazines and books. It talks a lot about literacy, but obviously it has no commitment to it.

As a former educator, I think it is ridiculous that we cannot educate the front benches of the government because they are not listening. When students are not listening, they cannot be taught.

I hope there will be success in the days ahead to get this message through from the people who want uninhibited dissemination of the printed word as a corner-stone of democracy, culture, education and a literate and productive society. We do not want the 7 per cent GST applied to it or to education in any way.

RADIO LICENCE FEES

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today, pursuant to Standing Order 36, to present a petition signed by many individuals from Colchester County, Nova Scotia.

The petitioners are concerned about the huge increases in telecommunications fees for radio equipment that have been levied by the federal government. The fire departments are primarily non-profit organizations and this will cause many volunteer fire departments to have to defer, delay, or cancel the purchase of equipment that they use to protect both individual safety and that of property. They ask the government, in this particular instance, to exempt volunteer fire departments from this excessive fee structure.

[*Translation*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I take pleasure in presenting today to the House, pursuant to Standing Order 36, a petition coming from Alberta and from western and eastern Ontario.

Again, we call on the Government of Canada to drop its plan to impose the GST on books. The petitioners submit that imposing a tax on books, newspapers and weeklies would be tremendously regressive.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too have the honour to rise and submit before the House hundreds of names signed to petitions in the province of Ontario pleading with the government not to impose the GST on reading materials.

It should also be noted by the government that in the other place, there will be an amendment moved today to remove reading materials from the GST attack. The petitioners are asking that the government finally listen to Canadians from coast to coast.

If there is one area that should be tax-free, it should be educational and reading materials so that our youth and seniors across the land can at least be able to read and further themselves educationally.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of the great citizens of Kamloops who are still filled with despair that the government continues to proceed with this very cruel and punitive goods and services tax.

The petitioners point out a whole set of reasons why this is unfair. It discriminates against western Canadians, small businesses, and working people generally, and will cause an increased interest rate. They ask the government to pull the legislation and go back and attempt real tax reform.

On another matter, Mr. Speaker, like some of my other colleagues, I have petitions signed by individuals again from a variety of places in Canada who are distressed that the government sees fit to tax children's story books. I think we are the only country in the world that will actually do that, if the goods and services tax becomes a reality, taxing children's reading.

I think we all appreciate that, particularly at this time of year when we want to buy books and encourage young people to read, we do not want the government imposing a special tax on literature.

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to table a petition of over 2,000 signatures from across Ontario.

The petitioners humbly pray and call upon Parliament to develop and adopt a comprehensive agricultural policy for Canada that will ensure the preservation of the Canadian farm family and will guarantee the future of a viable and self-sustaining agricultural industry in Canada.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have here a petition signed by a good many constituents of the electoral riding of Glengarry—Prescott—Russell, especially residents of Hawkesbury, a locality which you and all other parliamentarians know well. The people of Hawkesbury in my riding ask the House to urge the government to drop the tax on goods and services, this harmful tax which will hamper the Canadian economy and which will apply to books.

As their spokesman I congratulate the people of Hawkesbury, Alexandria, L'Orignal, Lancaster, and other Glengarry—Prescott—Russell communities for signing this petition.

[*English*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I too, rise to present a petition. I know the Parliamentary Secretary to the Government House Leader is a little concerned about the time this is taking today, but I am sure that a lot of his constituents have been sending him petitions signed against the goods and services tax. He does not rise to table those, and neither does the Minister of Transport. I am sorry they do not, because I am sure their constituents would be delighted to have petitions of this kind filed.

For their benefit, I will tell the hon. parliamentary secretary that these petitioners are opposed to the goods and services tax, because it imposes a tax on the printed word. As the hon. member for Kamloops says, it is going to be applied to children's books. It is going to be applied to Bibles and religious works. It is going to be applied to every kind of publication.

These Canadians, like so many millions of others, are opposed to this tax and call upon Parliament to reject it.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

Mr. Boudria: I rise on a point of order, Mr. Speaker. The parliamentary secretary will know that I have raised with him, both privately and in the House, on a number of occasions the fact that one question which has been on

the Order Paper for approximately six months has not been answered.

I know that the parliamentary secretary has sent the question back because the staff who were dealing with the question were apparently not able to provide a satisfactory answer to him and therefore it would not have been satisfactory to me either.

Has the parliamentary secretary succeeded in convincing those who prepare the answer for that question that they should provide an adequate answer forthwith so that he can table it in the House, the way I am sure he would want to do?

Mr. Cooper: Mr. Speaker, I will check on it and get back to the hon. member.

* * *

• (1600)

POINT OF ORDER

CHILD TAX CREDIT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I notice that the Parliamentary Secretary to the Government House Leader is in attendance. We are anxious, of course, to begin discussion on Bill C-81, an act to implement the United Nations Convention on Contracts for the International Sale of Goods at the second reading stage.

I must say, Mr. Speaker, I think we have a near crisis occurring in the country and I want to raise it with my hon. friend as a point of order. We are well aware that in September notices went out to an excess of 60,000 low-income families that child tax credits would be in the mail by mid-November.

Bill C-86 was that legislation and was tabled on October 11—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry, but I do not think that this is a proper matter for a point of order according to our Standing Orders. So, we revert to the Orders of the Day.

Before beginning debate, I must inform you, pursuant to Standing Order 38, that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Moose Jaw—Lake Centre (Mr. Laporte)—Agriculture; the hon. member for Scarborough West (Mr. Wappel)—Monetary Policy; the hon. member for Renfrew—Nipissing—Pembroke (Mr. Hopkins)—Trade.

GOVERNMENT ORDERS

[*English*]

INTERNATIONAL SALES OF GOODS CONTRACTS CONVENTION ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Justice) moved that Bill C-81, an act to implement the United Nations Convention on Contracts for the International Sale of Goods, be read the second time and referred to a legislative committee.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to begin second reading debate on the International Sale of Goods Contracts Convention Act.

The purpose of this bill is to implement the United Nations Convention on Contracts for the International Sale of Goods thus allowing departments, departmental corporations, and agent Crown corporations to benefit from its provisions. It does so by resorting to the usual practice of giving force of law to the convention which is reproduced in a schedule to the act.

A convention on contracts for the international sale of goods applies to transactions involving the sale of goods for business use between parties whose place of businesses are located in different contracting states.

It establishes a uniform system of rules for the international sale of goods and gives access to legal rules that are compatible with Canadian law.

Implementation of this convention by the International Sale of Goods Contracts Convention Act will permit federal entities to enjoy the three principal benefits of the convention, facilitation of trade, a greater degree of legal certainty in international sales contracts, and greater equity between the parties to an international sales contract.

Federal implementing legislation ensures that all federal entities will be uniformly covered by the regime of the convention.

There are now 28 contracting states to the convention, some of which like the United States, France, the Federal Republic of Germany, Italy, China, are among our largest trading partners. Thus, the adoption of federal implementing legislation will enable federal entities to avail themselves of the benefits of the regime established under the convention in a large number of transactions.

The convention facilitates trade by providing parties to a contract for the international sale of goods with a uniform system of rights, but it also preserves their freedom to contract by allowing them to derogate from the convention by means of an express clause.

Legal certainty. Contracts for the international sale of goods naturally give rise to many problems in private international law, for example, determining which law governs the contracts, or which court has jurisdiction. These issues must often be resolved by the courts and the resulting litigation can involve considerable expense in lawyers fees and other legal costs, not to mention needless delays.

Trade is particularly sensitive to any uncertainty, especially legal uncertainty. The rights of the parties must be clearly defined to foster an equitable transaction. It is difficult to define these rights if there is any uncertainty as to which law will apply. With the increase of international commercial transactions, the convention on contracts for the international sale of goods is an indispensable benefit to international trade because it creates a system of legal rules which clearly set out the rights of the parties involved. The system of rules is compatible with Canadian law and replaces the application of the law of other contracting states whose rules may be unfamiliar or even unfavourable to us.

The equity between trading partners. In an international sales transaction, each party to the contract often prefers to have the transaction governed by the law of its own country, something the weaker trading partner may find difficult to obtain. Usually the party with the stronger negotiating position can ensure that the contract is governed by the law of its country. The convention offers a more acceptable option because it allows the parties to have the contract governed by a uniform and neutral system of legal rules. Thus, the convention provides a means of reducing the inequality between the parties.

The convention on contracts for the international sale of goods was submitted to the provinces and their reaction has been very positive. Eight provinces, Prince Edward Island, Nova Scotia, New Brunswick, Newfoundland, Ontario, Manitoba, Alberta and British Columbia, as well as the Northwest Territories have already passed implementing legislation.

The Department of Justice has consulted members of Canada's business community and the Canadian Bar Association with regard to the convention and their reaction as well has been very positive. The businesses and corporations consulted pointed to the greater legal certainty associated with international sales of goods under the convention, the advantages of a uniform neutral system that preserves their freedom of contract and the compatibility of the convention with Canadian law.

The convention's underlying principles of law are similar to and compatible with those of Canadian law. Several Canadian experts have examined the questions and have made a comparative analysis of the convention and Canadian trade law under both civil and common law. They conclude that the convention is compatible with our law.

I am pleased to support this bill and would ask the support of the House.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I, too, would like to support this bill on second reading. I think that the aim of this bill is very good, in fact very much needed.

As the member for Niagara Falls has stated, it is an act to implement the United Nations Convention of Contracts for the International Sale of Goods. It is something that has been needed for a long time. I think that the aims of this bill are not only important for Canada but important world-wide. The member for Niagara Falls said that it is going to give greater equity to the smaller nations in trading with larger nations. That is something that we as Canadians have to look to and have to be very cognizant of.

• (1610)

If we are going to be trading on a world-wide market, we are going to have to not only be cognizant of the needs of Canadians, but also the smaller countries as well. There is a great tendency today by the larger countries to ignore the smaller trading partners. That is going to do a tremendous amount of damage to international trade in the not too distant future, because what is

happening is that the smaller countries are being absolutely, completely covered by the sheer bulk of red tape and financial power of the larger countries.

If we are not taking this into consideration, then we are going to make it very difficult for the smaller countries to trade at all. If we do not have trading partners, then we of course cannot trade. That is sort of self-explanatory, I would think. I do not think that even this government would question that.

I see that the Minister of Transport even understands it, which I think is very important. I know I have got through and that it is going to be generally understood at that point.

I want to say that we have to look at this on a world-wide basis. If we become too greedy and too possessive of the points of international trade, then we are going to very well kill the whole concept with respect to a great many of our would-be trading partners.

We, of course, as the member has said, are very interested in having the legal security and framework because this convention is quite in line with Canadian legal principles, which I think is very important.

I have one concern I would like to address before I recommend that this bill be accepted on second reading. I would caution the government on the cavalier way in which it is treating this bill. This bill, as the member for Niagara Falls has said, is tremendously important. It seems to be axiomatic, that is it is in the interest of Canada and its trading partners that this convention pass. The member said that 28 countries have ratified this bill.

If Canada is to maintain a leadership role in international trade, if we are to personify the trust that smaller countries want to have in their trading partners, then we have to be a little faster off the mark than we have been with regard to ratifying this convention.

We are going to be presumably number 29, if not farther down the list of countries ratifying this convention. That does not speak well for Canada. That does not speak well for a country that has always expressed an interest in the welfare of the Third World, of the poorer countries. We have gone out of our way to trade and offer funding through CIDA and other agencies to help these smaller countries. We were able to trade with them in the interest of Canada and, of course, in the interest of these other countries as well.

We have been reluctant, it seems, to push this bill through. We have been reluctant to adopt the concept. We very well might have been laudatory of the concept in the United Nations, but after the music dies down, Canada seems to sort of sneak out the side door and cannot be found to pick up the tab or to endorse what it is that needs to be endorsed.

If this continually happens—and unfortunately we find that this is becoming something that is happening all too often—then Canada is going to lose its status, even more than it has in the international community. We will have no one to blame but ourselves. We are bringing this on ourselves. At the very best we are going to be number 29 in ratifying this contract. We are, one of the most highly industrialized nations in the world; one of the proponents of international trade, far above most of the other members of the United Nations. We have been a complete and utter leader in the bolstering of international trade and in safeguarding the interests of the Third World nations, and here we are lucky to be even 30th in endorsing this convention.

Eight provinces have already endorsed this convention. One territory has endorsed it, and we are now here in Parliament today being faced with this after a long, long delay. It is frankly embarrassing that this is only coming to the attention of the House at this particular time.

I do not want to take a great deal of time in debating this further. We in this party are most interested in having this bill sent to committee stage. I would hereby endorse second reading so that we can get on with this bill and discuss it in committee as quickly as possible. I ask the government to push it through, as quickly as it possibly can, its remaining stages.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, in the government's opening remarks on this bill there were three points that it wished to make in putting the bill forward. Two of them are ones that I will address my comments to.

One of course is the facilitation of trade, and the other one is greater equity in trade, that is equity between

different levels of partners, some more powerful than others, in a sense the administrative structure to facilitate that greater trade. I want to put it in the context, from the abstract to the reality in practice, of this particular bill in relationship, first, to the European Community and, second, to our own relationships internationally that have changed dramatically because of the Canada–U.S. Free Trade Agreement.

I want to focus first on the changing impact relative to this uniform system that will be altered in 1992 by the culmination of the European Community. It is commonly suggested by the government and other spokespersons for the Canada–U.S. Free Trade Agreement that we will be in a position, accompanying this particular legislation, to be equal partners and facilitate greater trade on an equal basis so that "a stronger nation will not overcome a weaker nation", to quote the words of the hon. member.

The government likes to refer to the European Community as the model where this facilitating can take place. What the government neglects to mention is that in 1989 the European Commissioners of Social Affairs and Employment published a Charter of Fundamental Social Rights. My colleague spoke of the uniform system of rights related to this bill. This charter was intended to protect 322 million European Community citizens from any potential negative effects of the European Community becoming a single, internal market by December 31, 1992.

Mr. Speaker, you may well ask: What does this particular charter on rights, related to the government's opening statement, has to do with the Canada–U.S. Free Trade Agreement? It certainly has in the context of the opening statement by the member about facilitating greater trade between partners of not equal strength. One of the ways of overcoming the disparity of not having equal strength is a charter accompanying the bureaucratic process that guarantees the following: first, equal treatment for men and women, a principle designed to avoid the distortions which could interfere with free competition; second, social security of migrants which facilitates the free movement of workers; and, third, vocational training, with general principles serving as guidelines for national policies.

• (1620)

It goes on through this document, which has been prepared by the Library of Parliament and its research department, in an excellent, detailed manner showing how important it is that this kind of parallel agreement be made available when new trading blocs come together under this legislation.

As my colleague in the Liberal Party so correctly pointed out, it was long in coming forth in this House as a priority. As a matter of fact it is almost a shame that it has crowded out an even more important piece of legislation, that is the one dealing with the 60,000 Canadian families who were informed that they would be receiving their child tax credit this month. The government has not yet brought forward that piece of legislation.

That is by the by, but I wanted to comment on the valid and important point made by my Liberal colleague. In terms of describing the timing and the fact that the provinces had already caught up to this legislation before the government had, the fact is that the people out there are waiting for the tax credits. They are still being left behind, but the provinces, are leading again. That is by the by, as I say.

Turning to the main subject, this document that was produced by the Library of Parliament is a non–partisan document available to every member. Its application to this particular debate is all the more interesting, particularly when the government was forthcoming today in describing part of this bill, through the member who spoke, as a uniform system of rights.

We were told, on this process of a uniform system of rights in which this legislation embodies essentially legislative structures, that in further dealings by this government, particularly with the free trade agreement with the United States, that there would be some uniformity in terms of rights with that agreement.

We find that that is not the case. Indeed, the existing legislation signed by this government and the United States, and the forthcoming negotiations between the United States and Mexico in which this government wants to get involved, may be a violation of the very legislation that we have in front of us.

How can that be the case, Mr. Speaker? I submit that the case can be made on this basis.

Mr. Belsher: Hey, you're reaching.

Mr. Barrett: I want to tell you, Mr. Speaker, that I am perfectly relating my comments to what the member said. He gave the three principles, and I am dealing with those principles particularly in relation to the greater equity of trade.

On the basis of the greater equity of trade, if we look forward to this kind of charter in the European Community, there was an impression left, perhaps falsely or unwisely by this government, that the same kind of protections would be available in a Canada–U.S. agreement and perhaps would even be the subject of further discussion under the UN charter of the trade deal among Mexico, Canada and the United States.

I ask these questions: Is there any protection in the Canada–U.S. Free Trade Agreement that compares at all with the social dimension in the EC? Not one whit. Yet, some spokespersons for the government—too long a list for me to name—go around in public exposing themselves to the default in the agreement that indeed there is no social charter, and the promises made by the Prime Minister for the kind of equality in terms of the best social programs were never entrenched in legislation.

I know that that comes as a shock to you, Mr. Speaker. We even had the de Grandpré commission give a report. That commission was required to give a report by this government, with the aura that out of its report greater dimensions of services would be available for anyone who was displaced in this new trading bloc.

What happened to the de Grandpré report? Do you know what happened, Mr. Speaker? We in this House were all told, as we debated this bill, that the de Grandpré report would establish for Canada and the United States all of the mechanism necessary as the best international program in dealing with people who suffer because of new trading blocs. We are debating this dimension of the trading blocs, yet every one of the suggestions in the de Grandpré report, every demand for some equality based on the argument that went on, has been left out.

We have this pious statement by the government that we are now moving, as the government spokesperson said, to a uniform system of rights. I took notes of what he said. He read his speech. He also said facilitation of trade and greater equity in trade. Reading the bill is one thing, but hearing the words of that speaker is another. When I heard what he was saying, I knew very well that the government was hoping for a quiet afternoon to allow this bill to go through, without looking exactly at its own obligation under this bill.

I would like to pose this question to you, Mr. Speaker, because you understand this more clearly than anyone else in this Chamber. I have your rapt attention in this regard. Should another member wish to listen to what our conversation is, I hope these pearls of wisdom do not fall on empty ground. Having said that, as we move toward a trilateral discussion between Mexico, Canada and the United States, the whole motive behind the move is for a low wage partner. The Government of Canada is pandering to the large corporations that want us Canadians to lose jobs to low-paying wages in Mexico.

If the government were serious about this matter, it would not in any way threaten any Canadian jobs with unfair competition with low cost Mexican labour. It would say under this bill that it intends to facilitate and guarantee that we will play on a level playing field, but not at all. Even under this bill there is no attempt to protect Canadian jobs, working standards, the environment, or health.

Mr. Belsher: Have you read the bill, Davey?

Mr. Barrett: Mr. Speaker, the member asks if I have read the bill. I have studied this bill in depth. I was shocked and disappointed that there was not even a response or a nod from the fact that the Liberal Party spokesman was right on the ball in terms of the time delay.

I am extending the Liberal Party's argument by saying not only is there a time delay, but there is a work delay by this government as it continues to sell our Canadian working men and women in free trade agreements and trilateral talks it may take with Mexico. It is a denial of the existence of this bill to have some equity that that member spoke about.

How can you have equity if you have agreed, on the one hand, to a free trade agreement that destroys Canadian jobs? How can you have equity, on the other hand, if you agree to trilateral talks with Mexico and try to compete with the Maquiladora program where Mexican workers are paid $3.61 a day for jobs that are

available in Canada, which we are losing, at $10 and $12 an hour.

While this bill is a bureaucratic movement toward greater facilitation of exchange of regulations and rules between international countries on the UN agenda, it denies the existence in Canada of any standards whatsoever that are comparable to the European Common Market.

If the government were serious about this bill, it would bring in a social charter and a job guarantee charter like the European Community has. I do not think it is fair. I think it is unfortunate. Frankly it borders on false that this government puts forward the argument that there are the same kind of components in the free trade agreement that exists in the European Community and that this bill will be dealing with the facilitation of trade—

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. There is a requirement in this House that the speaker address the bill and address the matter before the House. There is nothing in this bill dealing with labour or anything of that nature. This is a bill that facilitates a convention of the United Nations and creates an International Sales of Goods Act.

This member completely misunderstands the total concept of the bill and is leading the House on a great goose chase. He must be ruled out of order or be required at least to address the bill.

• (1630)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I recognize the hon. member for Esquimalt—Juan de Fuca, inviting him again to stick to the subject matter of the bill before the House.

[*English*]

Mr. Barrett: Mr. Speaker, far be it for me to be embarrassed by the interjection of that member. He obviously has not read the bill. He has not studied exactly what the government's position is on this bill, and for his edification, I would like to repeat exactly the words out of the mouth of the government's spokesperson. I have been precise in confining myself to those specific areas because I took the notes from his speech.

I repeat, for the edification of that unfortunate member who found it necessary to reveal that he did not know what he was talking about by interjecting—I repeat, for his information, should he care to listen. The speaker who introduced the government's position on this bill gave three specific areas, two of which I am dealing with in precise detail. Time does not permit me to deal with the third one because to analyse that would take another day and a half.

Mr. Nicholson: With unanimous consent.

Mr. Barrett: Plus the time available to me is limited. But I have to educate the government again on what it said. I repeat three areas which the member mentioned, the first being the facilitation of trade.

Mr. Nicholson: Right on.

Mr. Barrett: Did you hear that, Mr. Speaker? I wish he would convey that through the Chair to the member who so rudely interrupted. Number three was the greater equity in trade. Right on, right on in parliamentary terms.

If I can continue with my elucidation related to those particular two points, then we will— No, Mr. Speaker, the interjection was hallucination. This is elucidation, and that is the difference.

This government has hallucinated on trade agreements. That is correct.

An hon. member: It hallucinates on everything.

Mr. Barrett: It is because of that that we are now faced with the horrendous loss of 160,000 jobs under the free trade agreement, and the government thinks that it will clean it up with this kind of bureaucratic nonsense.

Time permits me only a brief moment to elucidate. Again I come to the question of the Mexico-Canada-U.S. agreement on facilitating greater trade. I use the words of the very member himself, who said it was the weaker nations against the strong. Does the member suggest in any way that he will protect Canadian workers from a Maquiladora program where Mexicans are being paid $3.61 for a full day's work while the rate here in Canada would be $10 to $12 an hour? Is there any way through the bureaucratic structure that he wishes to put up that workers in this country who have lost their jobs in the face of the kind of appeal that the Maquiladora program has to Canadian manufacturers by saying come to Mexico and we will save you $25,000 per year per worker? Where is the equity in that? To quote the

member's own words: "How does that facilitate fair trade?"

This government has embarked upon a bureaucratic appeal through this legislation by appearing to be wonderfully universal, caring to be part of the marching system, moving forward to protect workers all over the world, and at the same time selling out Canadian jobs in the U.S.-Mexico-Canada free trade agreement of which it wants to be part. Now, explain that to me, Mr. Speaker, and I do not need to go over the de Grandpré commission again. We all know that the government ignored that.

The de Grandpré commission, my friend, was the commission promised during the heat of an election campaign. It was not called a forum in those days, it was called a commission. It was to bring together the best possible alternatives for the damage done by the Canada-U.S. Free Trade Agreement. The de Grandpré report was filed in this House.

Mr. Stupich: It was a farce.

Mr. Barrett: It was a farce my colleague said, and my colleague has a background of deep commitment to public service as a community religious spokesperson. As a religious spokesperson, he finds it very difficult to use stronger language than a farce, but, when he is moved to call it a farce, you know it is a damn mess.

If the European Community is to be used as the model by this government, and if we have the minister of trade who I find interestingly—well, I cannot comment that way, I will leave those remarks—

An hon. member: Go on.

Mr. Barrett: No, no, I will not do that.

An hon. member: Ambiguous.

Mr. Barrett: Ambiguous. That is a good word. The government talks about its commitment to facilitating greater trade, and it talks about its argument, as it did in the opening statement, about uniform system of rights. It also bragged when it signed the free trade agreement that it would have the best possible social structures going, but they do not compare to the European market.

Every time the government says the free trade agreement is the same as the European Community, it is not telling the truth. That is the government not telling the truth. Some spokespersons who have the government line are confined to that description.

There is nothing in there for full and better employment. There is nothing in there for improved living and working conditions, and nothing in there for the participation of workers and social partners. The whole social fund remodel in 1972 and 1984 is available to provide private and public bodies with the aid of recruiting or employing young people for vocational training.

That is part of the model, Mr. Speaker. It is not addressed by this government in accepting the UN convention. It is not what took place, and yet the European Community has entrenched this in legislation for the protection of working people whether they come from low wage-countries into the partnership or not.

They do not remain low wage-partners. Unlike bringing Mexico into competition with Canada, what we should be doing is following the European model and insisting that we do not go down to Mexican wages, but that Mexican wages come up to Canadian standards so that we can compete fairly.

Some hon. members: Hear, hear.

Mr. Barrett: My colleague from the Liberal Party was quite precise in his criticism—and validly taken—when he said the government had delayed bringing in this bill. What is the motivation for the delay? I am glad that my colleague from the Liberal Party made this point. The more the government delayed in bringing this debate forward, the more time that passed before there would be the awareness of the fact that there are no standards like the member suggested there are, in hope that it would lull the Canadian people into believing that the kind of trade practices it has are the same as elsewhere in the world.

They are not. I am indebted to my Liberal colleague for pointing that out because this government has rolled over and played dead to the corporate sector. It has sold out Canadian working men and women and—indeed, Mr. Speaker, a shock for you I know—small Canadian businessmen in this country who have either gone bankrupt or been forced to close down in face of the unwarranted competition, first from the free trade agreement, and now from the Maquiladora program in Mexico.

To refresh your memory, Mr. Speaker, the Maquiladora program is the free trade zone in Mexico that will be covered by this bill which allows workers to work at jobs for $3.61 for a whole day.

Mr. Nicholson: Nonsense.

Mr. Barrett: Nonsense? Is my dear friend denying that the whole direction of the continuation of Canada's desire to participate in the U.S.–Mexico talks is an attempt to give Canadian branch plant economies with U.S. dominated corporations capital greater access into the Maquiladora program and limit jobs here in Canada?

Is the member not aware of the fact that 160,000 jobs have been lost because of the cupidity or the stupidity of this government in not demanding the same kind of standards that exist in the European Community?

Mr. Lewis: Cupidity?

Ms. Copps: They may be a lot of things, but cupids ain't one of them.

Mr. Barrett: You are right. Cupid ain't one of them. Cupids are hard for a lot of us at our age to appeal to, Mr. Speaker, but Cupid certainly was not at the table when these guys were taken for a little love walk by the Americans, and now by the Mexican talk.

Mr. Dionne: They're stupid.

Mr. Barrett: I do not want to call them stupid. That is an interjection. That is unfair. I deny that I would endorse their approach as being stupid. However, there are some people in this House who could make a stronger argument than I can on this very point and define it as stupid. Far be it for me to inhibit their definition. If they feel strongly that it is stupid, I can understand the passion in their definition.

• (1640)

Can you give me a better word, Mr. Speaker, that permits me to explain to the Canadian people why we must lose jobs in Canada to the Maquiladora program, why plants like Gillette, like Toro and others must close in face of an agreement that has sold out Canadian businesses and Canadian working men and women and is competing with low cost in the horizon wages from Mexico? Why? Who are they serving? What masters are dictating the sinister proposals behind this almost innocent afternoon of debate around this bill that has been stalled before it was brought forward, as the point made by my colleague.

Mr. Dionne: U.S. administration and big business.

Mr. Barrett: U.S. administration and big business, even they are not responsible for interrupting the potential call in this House of tax credit legislation for the 60,000 people who are waiting for the government to fulfil that promise, but that is an aside, Mr. Speaker, because I was rudely interrupted. Perhaps I was not rudely interrupted, but wisely interrupted.

Here is the point that I make, Mr. Speaker. This government has made no effort whatsoever to protect working men and women, as the European Community has, on a level playing field based on the words of that member, to fit with a uniform system of rights. On the contrary, the government's introductory remarks deny the existence of uniform rights. All that this government is concerned about is allowing labour to be used as a commodity at a low price level to compete with Mexican workers who will be exploited by American capital.

This is the continentalist's dream and they are trying to hide it in this legislation. The continentalist's dream is having U.S. capital, Canadian resources and cheap Mexican labour. Is this the way for us to go? It has simply nothing to do with the European Community because the European Community has specifically entrenched rights in legislation that will be passed in the year 1992.

If this government were serious about the definition given by my colleague and using his words again, the uniform system of rights, let us have an assurance from the government that it will, as an addendum to the existing Canada–U.S. Free Trade Agreement, pass an exact replica of the rights that are enjoyed by low wage areas in Europe. They should be covered by this bill on the same basis.

It is not fair to Canadians to have this government allow itself to be propelled by some bureaucratic myth that somehow by us passing this bill in the House, that all of the shortcomings of this government in its trade negotiations will be corrected. They will not be. As a consequence, in my very brief time, I am making an appeal to understand exactly that this government is trying to give the impression, while it is late in catching up with the modern bureaucratic strictures needed to deal with international trade under the United Nations,

that they in no way compare to what exists in trading blocs anywhere else.

What brought us to this situation? I do not want to go through a lamentable history of the sell-out of this country by this government in the Canada-U.S. Free Trade Agreement. It is important to note that because of that sell-out, in spite of the valiant efforts of both the Liberal and New Democratic Parties in the last election, and I must say with the loss now of the former leader of the Liberal Party, we do not know where the Liberals stand on Canada-U.S.-Mexico talks. We do not know—

Ms. Copps: Where does Ed Broadbent stand?

Mr. Barrett: Mr. Speaker, now that they have a new trade critic in the House, I would love to hear that trade critic say: "I support John Turner's position, and I too am opposed to Canada-U.S.-Mexico talks". We have not heard that yet.

An hon. member: No.

Mr. Barrett: No, we have not heard that yet. We finally got a half answer on the GST, but we do not have an answer yet on the Mexico deal. They are already committed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The honorable member for Esquimalt—Juan de Fuca is an experienced parlementarian and a colourful speaker, but I wish to remind him that Bill C-81 is entitled An Act to implement the United Nations Convention on Contracts for the International Sale of Goods. I would therefore appreciate if he would get back to the subject matter of the debate. I thank him in advance for his co-operation.

[*English*]

Mr. Barrett: Mr. Speaker, I want to thank you for redirecting my focus to the specific comments made by the member. I did stray a bit and I thank you for that.

Now that I have dealt with number one, the facilitation of trade, I want to deal with number three because I will not have the time to deal with point number two that the member made.

Point number three that the member made was with regard to greater equity in trade, equity between large countries and small countries. This is a very important point because, as we are on the brink of the government desperately trying to get into a new trading bloc, we are also dealing with legislation to bring about greater equity in dealing with the bureaucracy of those kinds of trading blocs. What does that mean for us? It means, before the House committee's work has even been completed on examining whether or not we should participate in that new trading bloc, that the government has already said: "We are going to go in anyway."

How can the hon. member come into the House and say, with passion and with conviction, that the purpose of the bill and the federal government's support is for greater equity in trade? It does not make sense. As I said earlier and I am compelled to repeat, the third point is a continuation of the sellout of Canadian jobs.

I put this question to the member who I assume will close the debate. Is it the normal procedure that government members will get up and answer the questions?

Mr. Nicholson: At third reading.

Mr. Barrett: Okay. I want to thank the hon. member for his help.

There are a number of questions that I put to the government. In the definition of greater equity and trade, would the government be prepared to tell us whether or not it intends to ensure that models such as the European Community will be used in the same manner in any future trade dealings, in following through with the UN commitments under this particular bill? Is the government prepared to recognize that the European Community, which it holds out as an example in terms of establishing a trading bloc, has basic standards about workers sharing in equal rights?

In this debate, is the government prepared to lay out to us, in its movement to become governed under the United Nations regulations, whether or not it will argue for the position of complete access by Mexican labour into the United States and Canada? Freedom of movement is the key. We need to know, under the UN agreements that we will be signing after this legislation passes, whether or not the government will be excluding freedom of movement. Is it indeed the case that they are just exploiting working people and competing with those low-paid working people against Canadian jobs? That is a question that is valid here and valid for the Canadian people who are watching this debate who with the time,

energy, love, and care in raising children in the country and with the hope of better education, better economic opportunity. They want to know that those jobs that are promised out there will be made available. There may be bureaucratic coverage under this legislation, but government policy will deny that there is any real equality.

Why does the member come into the House and say "a uniform system of rights, equity between trading partners, and greater equity in trade" when the government has already displayed that it does not give a fig about equity for Canadian workers? That is confusing to me and the 160,000 Canadians who have lost their jobs because the government's policies are also confused by the definition given by that member. It is small comfort to say that the government is now catching up with the UN Conventions, when the workers in the country have lost their jobs, their security and, in many cases, their homes.

• (1650)

I do not think this bill should go by quickly. It is important that we have detailed debate. It is important that we have in-depth answers and explanations for a government that seems—if I may use the expression—hell bent for leather to sell the country out in trilateral discussions with Mexico and the United States.

I refer particularly to a learned argument written in a document called *International Comparative Law Quarterly*. The first article in *International Comparative Law Quarterly* in January 1989, Part I, Volume 38, deals exclusively with this bill. It is entitled: "The Vienna Sales Convention 1980 in The Hague, Uniform Laws on International Sale of Goods—A Comparative Analysis". This analysis was prepared by a graduate of Harvard Business School. If anybody wants a copy of this learned article, I will make it available to them.

Again, I am being precise and reflecting my comments on this bill in a clearly defined way. I refer to page 7, (d), the application of the Convention to International Contracts of Sale of Goods. Nothing could more clearly be related to the bill.

The opening paragraph states: "The UN sales convention as stated in article 1(1) applies to contracts for the sale of goods between parties whose places are in different states". Related to that in the different states is the question of equality raised by my colleague. Again, the government does not address equality. It does not address the imbalance of trade. It does not address within this structure how it intends to accomplish what he says the government wants to do in support of this bill.

The problem has been that the government has been really out of order in debating this bill and its opening remarks. All it has done is make general comments about sales contracts, without any definition of how it intends to protect Canadians in those specific sales contracts, for example, the free trade agreement between the United States and Canada, and the continuation of the policy announced by the government that it wishes to participate in Mexico-Canada talks.

What is the position on those sales contracts in competing interests of Canadian and Mexican oil in the U.S. market? What will be the position of Hibernia, for example, under this? There will be $2.7 billion dollars of Canadian taxpayers' money going to the Mobil Oil Corporation in the biggest corporate welfare bum rip-off in the history of the country and, under this bill or contract, not a drop of that oil will be refined in Canada. That is a shocker. The people of Newfoundland think they are going to get thousands of jobs. The people of Canada are putting up the billions of dollars and the government says that it is concerned about those people. I say this: Give the $2.7 billion to the Government of Newfoundland and let it determine what is best under this bill for the working men and women of that province.

Do you think it is going to do that, Mr. Speaker? Don't nod your head, Mr. Speaker, because you are neutral. I will tell you this. I am not surprised that not a word has come out of the government's mouth on this bill on that particular hand-out.

It is a cheeky-mannered government that we are dealing with. For any large corporation that wants money we will guarantee its sales contracts. If ordinary working people want a hand or anything such as that, nothing doing.

Why is there not a section in here when referring to the protection of rights similar to the further research done in our own Library? There is the question of improved living and working conditions. Why was the government not able to define in this particular discussion of the bill why there is no statement, even in writing?

Two minutes, Mr. Speaker? Regrettably so much of my time was taken up by interjections and the interference by the government. Nonetheless, I will press on.

Improving living and working conditions for the workers, participation of workers and social partners, proposed social charter, the right of freedom of movement, employment remuneration—all this means is that, if communities are going to be competing fairly, they should be paying the same basic wages, no matter where one lives or how one makes one's living. That is not going to happen when we compete with Mexico, and it is not going to be covered in this kind of bureaucratic nonsense.

I may go on and point out the specific section of this document prepared by the researchers in our library who refer to the improvement of living and working conditions, the right to social production, the right of freedom of association and collective bargaining. Trade union organizers in Mexico are subject to massive human rights violations. This was raised in the committee and there was not one objection from the government.

I thank you for your admonition that I have one more minute to go, Mr. Speaker. I have a great deal more to say and I look forward to the discussion in committee.

Let me conclude in my last minute of this very important debate. Even though this is a sleepy Monday afternoon and, indeed, the first chance we have to debate this bill, I was disappointed in the government for not saying that, in terms of the defining the equality of rights for people, it would define for Canadian workers the equality of rights that are absolutely necessary and that are being destroyed by the free trade agreement with the United States, and that are being further eroded by the mindless commitment of the government to have us competing with cheap Mexican labour with no protection of standards, access to health care, or environmental conditions.

I am disappointed in the government. I am not disappointed in the bill. Only if the government would commit itself to the philosophy of the bill would I feel much better.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, one of the reasons we are debating this bill this afternoon has to do with what we, on this side of the House, feel we ought to be debating instead of this bill. That is the bill which would facilitate the sending out the early payment of the child tax credit.

If I remember the figures correctly, some 66,000 Canadian families, who have been told by the government that they will receive this payment, are now having some anxiety as to whether or not they will, thanks to the uncertainty which seems to exist on the other side of the House with respect to bringing forward the bill. The government should not let events which are happening in the other Chamber stand in the way of having the bill expedited quickly through this Chamber. Commitments have been made by both opposition parties, as far as I know, and—

Mr. Lewis: Yes, but you never keep your commitments.

Mr. Blaikie: I hear from the hon. member, formerly the government House leader, that we do not keep our commitments. It is a strange comment to be coming from a government that has brought nothing but chaos to opposition–government relations. Nevertheless, if he is so sure of that, I say to the hon. member, try us, bring forward the bill and we will make a liar out of him.

An hon. member: Oh, oh.

Mr. Blaikie: What we would like to see is that particular legislation brought forward, but the government has chosen not to do that. It has brought forward this particular bill.

We see here an opportunity to debate the nature of international regulation of trade. The bill only deals with one aspect of it. It is an act to implement the United Nations Convention on Contracts on the International Sale of Goods. Basically, it is a bill which deals with the protection of buyers and sellers.

The point that the member before me was making, which I presume others may well want to make as well, is that too much of the international regulations which exist now for the regulation of international trade have

only to do with the protection of buyers and sellers. They have only to do with the protection of people who are owners and there is very little protection, if any, at the international or global level, having to do with the protection of workers.

Where we have seen such international agreements, particularly those into which Canada has entered such as the Canada–U.S. Free Trade Agreement, we have seen very little protection for workers as opposed to protection for buyers and sellers. the government is now contemplating entering into a further free trade agreement, in this case a three–way free trade agreement with Mexico which we believe would put Canadian workers at even more risk than they are at now as a result of the Canada–U.S. Free Trade Agreement. It is not often that we get a chance to debate trade in this House. Unfortunately, the debate about the government's position on the Canada–U.S.–Mexico free trade talks has been happening only in committee and in the media and wherever else concerned members have been able to raise the profile of that issue.

• (1700)

We have not had a chance to debate it here in the House. I think that this bill provides us with an opportunity to talk about the international regulation of trade and the unfortunate trend in the world today of moving toward regional trading blocs, perhaps even hemispheric trading blocs.

I had the opportunity to attend an external affairs committee meeting recently at which we had one of the key academic supporters present. That is, academic supporters of a Canada–U.S.–Mexico free trade agreement. He told the committee that he saw this as the precursor of one more step toward a hemispheric free trade agreement, in which Canada would not only be in a free trade arrangement with Mexico, but with all the countries of Central and South America.

Mr. Lewis: That would be awful.

Mr. Blaikie: Mr. Speaker, I hear someone across the way saying that would be awful. What is awful about it is that we have no indication from this government or from the United States Government or for that matter, as far as I know, from the Mexican Government, that they see the competition which would be brought in by any free trade agreement, as competition that needs to exist in the context of some social base.

The member who spoke before me referred to this social charter that is to come into effect with the full integration of the European communities' economy in 1992. What we see is an acknowledgement of the fact that if one is going to have a truly level playing field, along with economic integration and unfettered competition, then one must have an agreement between countries as to what the floor is with respect to social standards.

As Europe moves toward the single market of 1992, they are coming to an agreement. Having already broken through the conceptual barrier of saying there should be a social charter, they are coming to an agreement on what the basic income standards should be, basic pension legislation, basic labour legislation and beyond the social charter of what their common environmental standards will be. This is the sort of thing which we do not have in the context of the Canada–U.S. Free Trade Agreement. It is the kind of thing which we certainly will not have in any Canada–U.S.–Mexico Free Trade Agreement. It is the kind of thing we do not have in any form of any multilateral trading context now through the GATT or anything else.

What we are saying and have constantly been saying since the beginning of the NDP Party comes out of a conviction that the marketplace itself, without these kinds of agreements about social standards, delivers only misery, if it is allowed to work itself out without these kinds of checks by government on what the private sector is allowed to pay people and the various other regulations that I have talked about.

There is a curious irony in the argument. In a way, we are saying that if there is going to be economic integration, there has to be a harmonization of sorts. Yet, harmonization is the very thing that we worried about in the debate on the Canada–U.S. Free Trade Agreement. We worried about it then and we worry about it still in the context of the Canada–U.S. Free Trade Agreement. If there were to be harmonization of social or environmental or whatever standards in the context of a Canada–U.S. Free Trade Agreement, given the asymmetry of the relationship between Canada and the United States and the size of America compared to the size of Canada, we think the likelihood would be a harmonization down toward American social standards. In the context of a Canada–U.S.–Mexico agreement, it would be harmonization even further downward. This is quite different

from what is happening in Europe where you see harmonization happening upward because the most powerful countries in Europe economically are countries with strong social democratic traditions, Germany, Denmark, The Netherlands, et cetera.

That is happening there because the stronger countries economically are also the most progressive. Then you have this harmonization upward. In the context of the Canada–U.S. Free Trade Agreement, the stronger nation economically happens to be the least progressive of the two countries involved and so the harmonization can be expected to go the other way.

We have not even got to that point here in our relationship with the United States. We have not got to the point of talking about harmonization as obviously it is a dilemma for those of us who are against the free trade agreement. We maintain especially, as we look to Europe, that you cannot have free and unfettered competition without a socially just basis for that competition, and yet at the same time we see that if such an attempt were made in the context of the Canada–U.S. Free Trade Agreement that harmonization might actually lead to less social justice rather than more social justice. Even if it represented some sort of conceptual victory, the real nuts and bolts of the thing would be that Canadian men and women would be worse off rather than better off if they were led into a process by which the labour laws and the income legislation of Georgia became the model for Canadian social standards.

One other thing I would like to speak about this afternoon in the context of this Bill C–81, where we are talking about the international regulation of trade, in this case having to do with the protection of buyers and sellers in international contracts, is whether or not in the mind of our neighbour to the south trade is to be regulated by the international community at all.

One thing we found out in the last week or so was that they are fully prepared to contemplate saying to companies which are located in Canada that they cannot trade with Cuba. If they are American in origin and their headquarters is in the United States of America, Washington would like to apply this sort of extraterritorial power over them and forbid them from trading with Cuba, which has been designated by the United States as a country that American companies should not trade with.

There is nothing terribly new in this, Mr. Speaker, but what is new about it is that in this day and age one would think they would have more sense than to try and impose that kind of regulation on American companies, and particularly those that are operating out of Canada.

That obviously affects a lot of companies in Canada, given the high percentage of foreign ownership, particularly American ownership here in Canada. That affects a lot of Canadian companies.

I am glad the Secretary of State for External Affairs has indicated that he regards this as an unwarranted intrusion into Canadian sovereignty. I encourage the government to use as strong language as possible to send as strong a message as possible to Washington and to President Bush that this kind of interference in Canadian trade and sovereignty will simply not be tolerated.

I have done two things so far. I have talked about the social charter in Europe and the way in which what is being done there is so different from the kind of new trading arrangements that this government has already entered into with the United States and seems to be on the verge of entering into with Mexico. Second, I talked about the whole question of trade with Cuba and the way in which our neighbour to the south has tried to exert its will over international trade in this case rather than respecting the role of the international community.

Third, I would like to talk about the way in which all international trade is distorted at the present time by the whole question of the debt crisis and the way in which countries are not truly free to trade as they would and to trade in what they would because of the debt crisis. Many countries are forced by the current international financial system which has existed for a long time, basically since the Second World War, to devote all their energies and indeed much of their land to the growing of cash crops to produce hard currency, to buy things in the international marketplace. The problem now is that they are not even able to buy things in the international marketplace. They have to devote all that money that they earn through these cash crops, which were destructive enough in themselves, simply to pay the interest on their debts, so they are not going anywhere. They are having all the disadvantages of having turned over their local economies to the growing of cash crops without the

advantages of having the hard currency to buy the things that they are not able to make in their own country. They are getting it both ways at this time.

• (1710)

I think if the government was serious about really creating a healthy, multilateral global trading context, it would get serious about the debt crisis and serious about the recommendations of the subcommittee of the Standing Committee on External Affairs and International Trade, which made a number of very good recommendations in this regard to which the government has not responded.

Mr. Nicholson: I see you haven't read the bill either.

Mr. Blaikie: I have looked through the bill. There is not much to talk about. It is a Geneva convention with respect to the protection of buyers and sellers. What is really at issue here politically is whether we should be debating this at all or whether we should be debating the legislation that would facilitate the payment of those child tax credits.

Mr. Cooper: Mr. Speaker, I would like to step into the discussion here for a moment by way of a point of order to indicate to the House that there have been discussions among the parties and the party leadership last week that today we would deal with Bills C-81, C-82 and C-73, which was the intention that I was operating on.

I want to indicate to the House, Mr. Speaker, that we are quite happy if the members want to proceed with Bills C-81, C-82 and C-73. We are happy to bring in Bill C-86, the child tax credits, immediately after that. We are prepared to co-operate in every way that we can to push it through as expeditiously and as favourably as we can.

Mr. Riis: Mr. Speaker, this is interesting. The Parliamentary Secretary to the government House leader is correct. He says there was an intention of proceeding with Bills C-81, C-82 and C-73 for today. That was the government's intention and we said, that is fine, but we just realized over the weekend that 60,000-plus low-income families were promised a child tax credit by mid-November.

I have looked ahead on what the government has informed us in terms of the business of the next few days and it is not on that list. I want to ask my friend the Parliamentary Secretary to the Government House Leader, if he is saying that an act to implement the United Nations Convention on Contracts for the International Sale of Goods, an act regarding port wardens, and an act dissolving and privatizing Crown corporations are more important than the child tax credit legislation? I want to say that I do not think it is more important.

I want to say to the parliamentary secretary, to facilitate the passage of Bills C-81, C-82 and C-73, I will on behalf of my party say yes, we will facilitate the passage of that legislation if the government now, this moment this afternoon—we have plenty of time left—introduces Bill C-86 so we can say to the low income families of this country yes, we are concerned that in the pre-Christmas period when people are putting aside money for snow outfits and snow clothing for the children, making pre-Christmas plans, that we might—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I hesitate to recognize the parliamentary secretary because the House is not the place for House leaders to negotiate. I would be inclined to urge the House leaders to meet outside the House so we might go on with the debate. However the Parliamentary Secretary to the Government House Leader may have something more to say.

[*English*]

Mr. Cooper: Mr. Speaker, indeed Bill C-86 is very important. I am sure all of us in this House agree. What is important is I gave my word, as Parliamentary Secretary to the Government House Leader, to the other members in this House that we would proceed with Bills C-81, C-82 and C-73 today.

Mr. Speaker, I am prepared at this moment to ask you if there is unanimous consent of the House to proceed with Bill C-81, Bill C-82, and Bill C-73 and immediately thereafter to deal with Bill C-86 in all stages. I can assure you that we on this side are prepared to give that unanimous consent at this moment.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I heard your comments a moment ago, when you said that House leaders should negotiate outside this House. Traditionally, House leaders meet regularly, especially on Tuesday, to decide on the business of the House for the following days.

I must point out that we were not told last week that the government intended to call Bill C-86, an Act to amend the Income Tax Act (child tax credit), for discussion this week. However, we noticed some interest in the general public and, as the Official Opposition, we say that if the governement wishes to give some good news and to do its job seriously, we agree to consider Bill C-86 and pass it as quickly as possible.

We have members who wish to speak on Bills C-81, C-82 and C-73, but, Mr. Speaker, if the government commit itself without prejudice to starting debate on second reading of Bill C-86 later today, we have no objection.

[*English*]

Mr. Riis: Mr. Speaker, I am amazed at the comments of the hon. member for Ottawa—Vanier, because I had assumed that we would agree. I intend to seek unanimous consent now, without any further interruption, to go directly to Bill C-86, the child tax credit, because we feel this—

Some hon. members: Oh, oh.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order! Order, please. I feel compelled to ask the House leaders, if they so wish, to meet outside the House. As far as I am concerned, I have no choice but to recognize again the hon. member for Winnipeg Transcona on current business, that is Bill C-81.

[*English*]

Mr. Blaikie: Mr. Speaker, I am glad to see that my words this afternoon have moved the leaders of the House to action and that they will be meeting. Perhaps, after having listened to my admonitions, they will come to some kind of arrangement.

I note, on the main point, that we should this afternoon be dealing with Bill C-86. My House leader sought unanimous consent to do right away and that was denied. A very curious argument was offered by the Liberal House leader, that he had Liberals who wanted to speak on this particular bill. We have had two NDP speakers in a row and no Liberals rose.

An hon. member: That's right.

Mr. Blaikie: I find it very curious indeed.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am asking for the co-operation of the hon. member for Winnipeg Transcona. Would he, please, be relevant, that is deal with Bill C-81.

[*English*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order or disorder, because the member is looking for disorder here; he is imputing motives.

Debate started on Bill C-81 this afternoon. We participated in it. We have given our undertaking that we would look at Bill C-81 today and, if possible, Bill C-82 and, if possible, Bill C-73.

I am saying that by unanimous consent we can do anything in this House, but the member for Kamloops cannot move a bill that does not belong to him. It belongs to the government, and I am asking the government, if it feels so disposed to bring in Bill C-86, to do so. We will give it our unanimous consent to bring it in; but I am saying that the member for Kamloops cannot bring in that bill. He is politicizing or he is participating in something which we never do in this House, that is partisan politics.

Some hon. members: Hear, hear.

Mr. Riis: I rise on a point of order. Heaven forbid, Mr. Speaker, that we might have some politics in the House of Commons of Canada.

I want to make it perfectly clear—and perhaps there has been some misunderstanding—I am well aware, unfortunately, that the New Democratic Party is unable to bring forward this legislation on this child tax credit.

Just to make the point very clear, I would like to seek, through you, Mr. Speaker, unanimous consent to revert now to the consideration of Bill C-86 in an effort to move this legislation forward expeditiously.

Some hon. members: Hear, hear.

• (1720)

Mr. Cooper: Mr. Speaker, I have no trouble with anybody asking for unanimous consent. However, as you will recall, I asked for unanimous consent to proceed with the bills we had agreed to, with the full understanding of the members of the House—they were put on the Order Paper today: Bill C–81, Bill C–82, and Bill C–73—and then proceeding with Bill C–86.

Mr. Speaker, if you would like to put that consent motion to the House, we are happy to offer our consent.

[*Translation*]

The Acting Speaker (Mr. DeBlois): If I understand correctly, the parliamentary secretary is seeking the unanimous consent of the House to proceed to consideration of Bills C–82 and C–73.

However, the Chair cannot ask for consent until the House has disposed of Bill C–81. This means I must recognize again the hon. member for Winnipeg Transcona so that the House, if it so desires, can dispose of Bill C–81. The hon. member has a few minutes left.

[*English*]

Mr. Riis: Mr. Speaker, perhaps we are making progress. The Parliamentary Secretary to the Government House Leader wants us to move expeditiously on Bill C–81, Bill C–82, and Bill C–73. Then we will discuss Bill C–86 and pass it, presumably.

Mr. Speaker, I want to make a proposal through you to the House, particularly to my hon. friend, the Parliamentary Secretary to the Government House Leader, and the hon. member for Ottawa—Vanier that we seek unanimous consent to deal today with the stage before us of Bill C–81, the stage before us of Bill C–82, the stage before us of Bill C–73, and all stages of Bill C–86.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Does the House agree with the proposal by the hon. member for Kamloops to dispose today of the second reading stages of Bills C–81, C–82, C–73?

Some hon. members: Agreed.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I think all this negotiating is rather amusing, Mr. Speaker! I don't know what kind of arrangement the NDP has with the government, so that I can anticipate decisions which have yet to be made. We are nobody's fool, Mr. Speaker! Bill C–81 is still being debated by the NDP which is trying to use it as a play to make the House proceed with something else. I am quite willing for us to adopt Bill C–81, C–82 and C–73, and even C–86, if necessary, but we have only one and a half hours left, Mr. Speaker! If the New Democrats keep talking the way they usually do, we won't be able to finish before 7 p.m., Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Order, please. I hope hon. members will be co-operative. If I may make a suggestion, I would advise the three parliamentary House leaders to meet as soon as possible. Meanwhile, the Chair has no choice but to recognize again the hon. member for Winnipeg Transcona.

[*English*]

Mr. Riis: Mr. Speaker, I noticed with interest that you sought unanimous consent to the proposal put forward by my hon. friend, the Parliamentary Secretary to the Government House Leader. I am asking that you do the same now for my suggestion, and that the unanimous consent be that today, before the end of the parliamentary sitting, we deal with Bill C–81 at second reading, Bill C–82 at second reading, Bill C–73 at second reading, and all stages of Bill C–86. That is what I am seeking unanimous consent and agreement to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I want to make this quite clear, because the proposal seems rather broad and somewhat vague. We have before the House a motion asking the House to agree to adopt four bills during today's sitting, if I am not mistaken.

Does the House agree?

Some hon. members: Agreed.

Mr. Lapierre: I don't agree!

The Acting Speaker (Mr. DeBlois): In that case, I again recognize the hon. member for Winnipeg Transcona.

Mr. Lapierre: Mr. Speaker!

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would point out to you that you have not requested unanimous consent yet and that I have the privilege of denying it. However, as a sign of our willingness to contribute to the good cause of helping Canadian families, especially in Quebec, and in a spirit of co-operation that I wish were a two-way street for the leaders of the other parties—I would like them to remember this gesture of support in other circumstances—I will also give consent.

The Acting Speaker (Mr. DeBlois): So, to make sure it is clear to everyone, is there unanimous consent for the approval at all stages of bills C-81, C-82, C-73 and C-86?

Some hon. members: No.

An hon. member: Oh, oh!

The Acting Speaker (Mr. DeBlois): Attention, please! I believe I worded the question incorrectly. Is there unanimous consent for adopting today bills C-81, C-82 and C-73 at second reading and bill C-86 at all stages?

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): The hon. opposition House leader has the floor.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on the proposal of the government, that motion will not be debated. It will be agreed unanimously if the government is willing to put it and to adopt the motion in order to pass Bills C-81, C-82, C-73 and C-86 today.

[*English*]

Mr. Cooper: Mr. Speaker, maybe a bit of clarity might help.

First, this is my understanding of what we are agreeing to: that before seven o'clock this evening when the House rises we would complete the second reading of Bill C-81; we would complete second reading of Bill C-82; we would complete second reading of Bill C-73; and then we would deal with Bill C-86 in all stages.

That is very clear to all the members, and that is certainly what we all agree to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): So, is the House giving its unanimous consent to the proposal put forward by the House leader for the government?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): That motion is agreed to and becomes and order of the House.

Motion agreed to.

The Acting Speaker (Mr. DeBlois): The hon. member for Winnipeg Transcona has the floor again on Bill C-81.

[*English*]

Mr. Blaikie: Mr. Speaker, my goal, having been accomplished, I have nothing more to say.

Some hon. members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Are there other hon. members wishing to speak on Bill C-81?

Some hon. members: No.

[*English*]

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

APPOINTMENT OF A PORT WARDEN FOR THE HARBOUR OF QUEBEC

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Transport) moved that Bill C-82, an act to amend an act to provide for the appointment of a Port Warden for the Harbour of Quebec and an act to amend and consolidate the acts relating to the office of Port Warden for the Harbour of Montreal, and to validate certain fees and charges established pursuant thereto, be read a second time and referred to a legislative committee.

• (1730)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is my pleasure to rise in this House and to speak to the bill presently before us, that is an act governing the port warden of the port of Montreal and the act governing the port warden of the port of Quebec.

The goal of the bill is to increase the efficiency of the administration of the port wardens by the Board of Trade of Montreal and la Chambre de Commerce de Quebec. It will also remove archaic features of the legislation, which date back to 1882 for the port of Montreal and 1871 for the port of Quebec.

I should point out, Mr. Speaker, that the port wardens at the port of Montreal and the port of Quebec are unique in Canada. Their individual legislation and responsibilities which link them to the Board of Trade of Montreal and la Chambre de Commerce de Quebec, pre-date Confederation.

The port wardens fulfil an important role. Their duties include inspecting all cargoes of grain, mineral concentrates, timber stored on deck and explosives. They also ensure that a ship meets the necessary safety requirements and is loaded in accordance with Canadian safety regulations.

The Board of Trade of Montreal and la Chambre de Commerce de Quebec are empowered under their respective legislations of 1881 and 1871 to establish tariffs of fees for these services.

The legislation requires that the tariffs of fees cover the costs of the port wardens' offices and that the moneys collected may only be used for the purposes of these offices. These tariffs of fees currently require approval by the Governor in Council before coming into force, and in past years have remained in force for long periods of time.

However, in today's fast-moving maritime commercial world and with rapidly fluctuating costs, the Board of Trade and la Chambre de Commerce now find it necessary to adjust the tariffs of fees, often at short notice, in order to meet the costs of the port wardens' offices for providing their services to the shipping industry.

Forecasting ship demands, and hence forecasting the revenues necessary to cover the costs of the port wardens' services is difficult. Recognizing the longer timeframe required for government approvals, it is the government's intention to remove from the legislation the requirement for Governor in Council approval. Safeguards for government and the shipping industry to ensure the high level of service at appropriate costs will be maintained.

The primary objective of the bill, therefore, is to provide the Board of Trade and la Chambre de Commerce with the authority to approve tariffs of fees and put these into effect. We are confident that greater efficiency will be achieved in the administration of the offices of the port wardens at Montreal and Quebec and continued excellent service to the shipping industry will be assured.

The federal government will retain its over-all responsibility for appointing the port wardens, and auditing the financial management of their offices. The shipping industry and the Canadian Coast Guard will continue to have representation on technical committees of the Board of Trade and Chambre de Commerce responsible for the duties of the port wardens, and recommending tariffs of fees. Users will be consulted and informed of tariffs of fees changes by the Board of Trade and la Chambre de Commerce through the process of pre-publication in the *Canada Gazette* and local newspapers.

Before establishing tariffs of fees, la Chambre de Commerce and the Board of Trade presently undertake consultations with users of the ports on the fairness of these fees in relation to the value of the service and the responsibility vested in the port wardens for safety of the ships, cargo and crew. There is general satisfaction among users regarding the quality and nature of the service provided by the port wardens at these harbours. This same effective and harmonious relationship will continue.

Mr. Speaker, the second objective of this bill is essentially a housekeeping amendment. It will remove archaic features of the original legislation that fixed payments and charges for services of the ports wardens in the legislation itself. These charges were appropriate many years ago but are no longer valid in meeting present day costs of doing business. For example, the legislation required the payment of one-quarter of a cent per head of livestock and even a fee not exceeding two cents per barrel on all ashes shipped from the port.

I might also add that on all sheep and pigs shipped from the port there was a fee not exceeding one-quarter of one cent per head.

These housekeeping amendments will also validate tariffs of fees and charges fixed in later years which could not conform to these archaic provisions.

The over-all results of these amendments will be to make the operations of the port wardens more effective and responsive to modern day shipping at the local level, while maintaining the government's responsibility for the safety of commercial navigation.

I hope, Mr. Speaker, that you will find that this bill can receive timely approval in order to modernize this small but important part of the daily business of these two ports.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise in my place on behalf of my Liberal colleagues to speak on Bill C-82, which as the parliamentary secretary to the minister just enunciated, is a housekeeping bill that essentially permits the port wardens at the ports of Montreal and Quebec City to establish the tariffs of fees charged to shipping companies for services rendered.

It used to be that the government, through an Order in Council, allotted these fees. As well, the legislation before us removes the ceiling from the fees that were charged the various shipping companies for a variety of services.

For instance, section 10 of the act is to provide for the appointment of a port warden for the harbour of Quebec. It says that the person assisting the port warden and the survey of damaged vessels shall be paid a maximum fee of $5 for services rendered.

Obviously a good case and a good argument can be made that it is time those fees enter the 20th century.

The concept of the port warden, however, is one that goes back to an old adage of the British system. In fact, I believe that the only port wardens in the country are those currently in Quebec City and Montreal.

Essentially, the wardens at the present moment and as contemplated in this bill, are employees of the local boards of trade. The boards of trade are made up of representatives from the various shipping entities.

As I see it there are three responsibilities for the port warden: first, his role to survey the port authority; second, to act as an ombudsman in dealing with dispute and hopefully tendering resolutions to those disputes; and third, to collect all fees and charges for those services.

In 1989, for example, the board of trade in the metropolitan city of Quebec City collected some $65,000 in that fiscal year for the various services rendered. From that amount, the salary of the port warden and for the chairman of the board of trade are paid.

It is important to suggest that the port wardens will still continue to be appointed by the federal government, and that in fact, while the port warden will respond and report directly to the board of trade, these port wardens have to make an annual submission of the audit independently of those services during that year.

I believe that it would be fair to say that the fees have to be modernized. Judging from the antiquated levels of these fees, we can expect tremendous increases of anywhere up to 500 to 1,000 per cent. While we are speaking of relatively small amounts when it come to the various shipping entities, I think there is no doubt that this will add a further cost to the shipping entities who use the port facilities.

I believe it would be fair to say that if the fees were in isolation I do not believe it would be a big, serious problem for most shipping companies. I think it is going to be compounded possibly by the fees that may be charged in connection with the Coast Guard, for instance. Some shipping companies now get services from the Coast Guard. They may be asked in the coming year, depending on the consultations of my good friend, the minister, to pay additional fees for the use of the Coast Guard services.

It is part of the government's cost recovery program. It may anticipate revenues of upwards of $25 million. Over half of those revenues, namely $14 million, could possibly be raised in the province of Quebec at the two ports of which we speak today.

Therefore, Mr. Speaker, you can see the added burden on shipping companies. As well, the report submitted to the minister concerning preventive medicine and shipping spills obviously will add another investment layer to the shipping entities themselves with respect to having the ultimate respect for the environment. There are going to be a series of possible increases to the various shipping entities. The government should be accountable as protector of that industry, and be able to intervene

somehow and somewhere if in fact those fees that now will not have a ceiling under this legislation and will be provided for by an independent body, namely the board of trade, that there needs to be some kind of accountability.

• (1740)

The shipping industry is going through some very rough waters indeed. Shipping is down in many parts of the country. Ports Canada includes basically the administration of seven autonomous ports: Halifax, Montreal, Quebec Prince Rupert, Saint John, St. John's and Vancouver. Under the Ports Canada Corporation, there is an additional seven regional divisional ports. Ports Canada reports shipping activity declined nearly 7 per cent in 1989 from the year earlier, representing some 174 million tonnes of cargo less being shipped this year than last year. Eighty-three per cent was handled by the seven port corporations and 17 per cent by the Canada Ports Corporation, i.e., the seven divisional ports. The total tonnage in the berths of the seven port corporations was down again by 8 per cent. In the seven smaller Canada Ports Corporation berths, the total tonnage was down by 9 per cent. Coal shipments were down 2.5 per cent; grain was down 26 per cent to 19.2 million tonnes; containerized traffic was down from 12.5 to slightly over 12.3 million tonnes from the previous year.

In Montreal, one of the ports being debated this afternoon, the 1989 total volume was 20.4 million tonnes, down from 22 million tonnes in 1988. Similar percentage decreases were also experienced by the port of Quebec City, where it was down to 15.7 million tonnes from 18 million tonnes.

These statistics are tabled with Your Honour to show that the shipping industry is not going through good times. We have seen the situation on land in terms of transportation. We know what has happened to our rail infrastructure. We know what is happening in the airline industry. We know about the 3,000 Canadians laid off by Air Canada and Worldways and other companies. We know about the open skies concept. What we should not do is also undermine the shipping industry, an industry that has shown health and diversity. In fact, it has scared away the Americans from competing with us head to head because they have too much respect for us.

The Americans were very quick to try to compete with us in the trucking industry. They did and they hurt us. Now they wish to compete with us head to head in the air. That is why we are entering the open skies arrangement favoured by this government.

When we talk about increasing and modernizing fees for the shipping industry, we should keep in mind the delicate nature of the business. We should not try to put people out of business, but try to give them an infrastructure to facilitate growth and dynamism so they will not only flourish, but the jobs in the industry will increase so that Canadian families across the country, particularly in the cities surrounding these seven major ports may continue to have a vibrant livelihood.

We look forward to moving this bill into committee stage where we can pursue a number of areas where we can, while modernizing these fees, also continue to have a responsibility and an accountability so that those fees being charged are clearly going to be in the interest of the shipping entities in the shipping companies so that they may continue to work.

The other points I would like to raise are, perhaps in committee, in terms of if a shipping company feels that the fees are too exorbitant, what is the appeal mechanism? Now that we are giving more autonomy to the boards of trade and the various wardens, what is the role of the Canadian government vis-à-vis a complaint coming from a shipping company in terms of the fees charged.

We may also contemplate—and I say this to the minister and his parliamentary secretary—we know now that the ports must submit a yearly audit. We may now be suggesting that we are giving more autonomy to have a more comprehensive report. Rather than getting a simple audit with numbers on a piece of paper that sometimes do not mean very much, we may want to expand the comprehensiveness of that type of report.

We also may engage the boards of trade. Now that they will be directing the shots, we may also have the boards of trade enter into a closer working relationship with the Government of Canada. Once again, while we appoint the wardens, I think we ought to be responsible in terms of the fees discharged to the shipping industry.

With those brief words, because I know the House has much work to be completed before 7 p.m., we give this bill its blessing at this stage. We look forward to crossing the *t*'s and dotting the *i*'s at committee where, on behalf of the Liberal Party, I will raise a number of thoughts to be further amplified at that time.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am pleased to take this opportunity to make a few brief remarks with respect to this bill. Bill C–82 is a bill which touches on a topic that should be a matter of thorough public scrutiny, and that is the accountability of our ports.

Canada is, after all, a trading nation and, with so much of our economic health riding on trade, our country's ports assume a special importance. Too often, their operations are shrouded in secrecy. Some pretty questionable activities are carried on under that shroud. Lifting that veil, ensuring the fullest transparency that can be practically attained in a competitive environment, should be a key goal of any administration genuinely committed to open government.

The legislation is acceptable to my New Democratic colleagues and, as far as it goes, it is a good bill. There are aspects of it that we find particularly worthy of support. It allows for public input through notification in the *Canada Gazette*. It keeps ultimate authority in the hands of the government and port wardens who must still submit annual independent audits to the government.

In a narrow sense the legislation is aimed at accountability, accountability to market forces and the shipping industry. That is good, because there are other areas where accountability is sorely needed.

Canada's ports are exempt from access to information requirements. Supposedly, this is to protect the competitive position of the ports. Perhaps it is also to save the government and its pals from embarrassment.

Earlier this year we had a glimpse of the kind of excess, exorbitance and extravagance that hides behind this mask, revealed by the Leader of my party, the member for Yukon, along with *The Globe and Mail*.

The manager of the Port of Montreal earns some $130,000 a year. Perhaps that is not entirely out of line, but look at last year's perks as reported in *The Globe and Mail* earlier this year: the use of two drivers and two cars; an annual allowance of $6,600 for his own car; a $15,000 membership at the Mount Royal Golf Club; two season's tickets to the Montreal Canadiens games, plus play–off tickets; and four season's tickets to the Expos, at a cost of $6,857. Also, he had 10 tickets at $500 each to a gala concert of the Montreal Symphony Orchestra.

In 1988, the corporation's entertainment budget was over $327,000, twice the amount of 1985. There was almost $11,000 for a party at the Westin and over $42,000 for liquor, flowers, cigars and a category called "other". The port spent over $63,000 in gourmet catering for parties on board the *Maisonneuve*, officially a port tugboat but whose real use is entertaining. That's entertainment, Mr. Speaker. That is also unquestionable waste.

What was the explanation for this? It was indicated that those galas and baseball games are hard work. It has been explained by the manager of the port corporation that reports of lavish expenditures come from envious blue–collar workers.

Let me recite his exact words from *The Globe and Mail* article:

> The clerks are mad because they haven't been invited on the boat. If it bugs people, let them be bugged.

After having said that the port has to entertain if it is to compete, he concludes by saying:

> And those turkeys have the gall to complain.

• (1750)

That attitude, Mr. Speaker, provides new insight into the poisoned labour relations atmosphere at the port. No wonder.

Those turkeys are working people. Like Canadians everywhere, they have not seen their entertainment budget double in the past four years. They have seen services from the government slashed. They have seen post offices closed, the CBC savaged, VIA Rail gutted, and the GST looming on the horizon.

No, Mr. Speaker, workers have not been invited on the boat. They are right to be mad, because the government's belief in restraint and cutbacks ends when it comes to the life–styles to which their cronies have become accustomed.

We need answers. We need accountability, and we need openness. We need to be able to unravel situations like the one that rose in 1984 when the port hired

Senator Guy Charbonneau's company to advise them on where to buy new insurance policies. Two months later, most of the port's insurance business went to Pratte–Morrissette Inc., whose board is headed by Senator Guy Charbonneau. Surprise of surprises! It kept the business for the next five years. Canadians only found out about this cosy relationship six years later, in June of this year.

Here is another case that members will be interested in. Maurice Mayer received a commission of at least $225,000 for buying land for the Montreal Ports Corporation. Mr. Mayer is a real estate broker, a senior Tory fund–raiser, and a friend of the Prime Minister's.

An hon. member: Shame.

Mr. Laporte: His name was proposed by another well known Conservative, and a director of the port corporation, Andre Gingras. What makes things interesting here, Mr. Speaker, is that Gingras and Mayer were business partners at the time, negotiating a $10.4 million federal government lease for an office building they owned with three other partners. Those other partners were all Tories.

Incidentally, the public works minister at the time, Roch LaSalle, overrode the objections of senior public servants and directed bureaucrats to help the partners win the lease. But that is another barrel and another bunch of pork.

Mayer's contract with the Port of Montreal came in December, 1986. We found out about this in June.

If we are to understand what is happening and if we are to satisfy ourselves that nothing is wrong, then we must have that openness. There is a need for some kind of *glasnost* through the entire port regime.

There is a perfect example in the case of Canada Ports Corporation. At last year's annual general meeting, most of the board members spent around $4,000 mainly in the dining room and lounge. There are meals and entertainment at exclusive private clubs. Board members get paid for participating in conference calls. Four calls equals one day's work or $300.

Students of the government's record will probably not be surprised to learn that most of the board members are quite well connected to a particular party, the Conservative Party. We had to find this information out through the Canadian Press.

Pork–barrelling is not unique to Canada Ports Corporation, of course. The vice–chairman of Montreal Ports Corporation is a former Tory candidate in Westmount and board member, Peter Ohrt, is a former staffer in the Prime Minister's office.

That is all well and good. Perhaps these people are the best qualified and their party affiliation is a mere accident. But it does raise questions, and those questions can only be satisfied in the full light of an accountable and open system.

The recent controversy surrounding Peter Lush and the Hamilton Harbour Commission is also instructive, and not just for the question of whether there was any wrong–doing. The government did nothing to facilitate the flow of information. It stonewalled on questions of conflict of interest. Later, by boycotting a transport committee meeting, it blocked the inquiry into the affair.

And if, as the hon. transport minister has maintained, Mr. Lush has done nothing wrong and was an innocent victim of half truths and innuendo, then the government has only itself to blame for allowing the closed door nature of the commission to make complete information an impossibility.

Secrecy and unaccountability are the parents of waste and extravagance. They tempt people to cut corners, skirt the rules, and carve off a little bit more than perhaps they should be carving off. Now, more than ever, government has not only to be open and honest, but must appear to be open and honest.

It is no coincidence that Canadians are cynical about elected politicians and appointed officials. There is an increasing feeling out there that the government of the country is not run for the benefit of its citizens, but for the enrichment of a privileged few. That belief is reinforced every time Canadians see tax reform that benefit the wealthy, instead of working people. It is driven home every time the government knuckles under to its big business friends and waters down badly needed environmental policies. And it is confirmed in an era of cut–backs and belt–tightening, an era of sacrifice, an era of hardship and every time we find out about appointed officials living high on the hog.

There are now more food banks in the country than there are McDonald's restaurants. Child poverty is a shameful, widespread reality in every part of the country. Yet, the government cannot understand why people are hungry and are being left off that boat in the Montreal harbour. The fact is that that boat in the Montreal harbour is our boat. It is our port. It is our government. It is our country, whether the members opposite want to listen or not.

Some hon. members: Oh, oh.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order! I would ask the hon. member for Moose Jaw—Lake Centre for his co-operation so that we can get back to the matter under consideration.

[*English*]

Mr. Laporte: Mr. Speaker, I will conclude by saying that Liberals and Conservatives, when in power, have forgotten about the price we pay in this country for many of the items that their friends seem to enjoy. It is Canadians who pay for this. It is time to take the boat back and it is time to take our country back.

With that in mind, the New Democrats will examine this bill in committee to see whether or not it enhances accountability and whether or not it can be improved to make the operations of these two ports more transparent, while keeping in mind the needs of any competitive corporation. Bill C-82 is not the beginning of open, democratic society, but there are issues which it raises which must be raised and must be pursued. We welcome the opportunity to deal with those issues and we look forward to sending this bill to committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I will try to apply the test of relevance, but I must say that, having just heard the protestations of my hon. colleague from the New Democratic Party while he was throwing all politicians into the same bad hamper *vis-à-vis* the public trust, I have to say that a lot of us were shaking our heads on the weekend when we read about an NDP member who is using his immunity as a member of Parliament to avoid paying leadership debts. Frankly, for a party which prides itself in being so open with the public trust, I have to shake my head and ask myself why it is proceeding in that fashion. That does not meet the test of relevance, but I thought it bore speaking about because, frankly, I did agree with some of the points that were made by my hon. colleague in the NDP.

In examining the issue of Bill C-82, one can look at it in its narrow form.

[*Translation*]

As a microcosm, we can say that we should have made some changes ages ago precisely to up-date the system now in place, particularly in the St. Lawrence river and the St. Lawrence Seaway. But at the same time, it gives the government the opportunity to review the policies on all the ports, including the Port of Hamilton.

[*English*]

I could not see Bill C-82 pass second reading without asking the government, in its wisdom, in looking at the very specific amendments dealing with the issues of fees and the composition of the ports of Montreal and Quebec, why it was not taking the wider vision of restructuring and revamping the system of regulation over all our federal harbours. If you look at the fiasco of the Hamilton Harbour over the last couple of months, it is clear that the current system is wanting.

• (1800)

The Minister of Transport is no doubt aware, in a non-partisan way, because I know how non-partisan he wants to be on this issue, of the fact that several weeks ago the city of Hamilton passed a unanimous resolution, supported by so-called members of the Liberal Party, the Conservative Party, the NDP, and, I suspect, some other political affiliations. That particular resolution which followed a resolution, which was sent to the Hon. Minister of Transport as of March 20 of this year, from the city of Hamilton went directly to the Prime Minister's office. It called upon the Prime Minister to hold a full public inquiry, among other things, into the issue of the Lush affair. That letter went out to the Hon. Prime Minister of Canada in early October and for the record—

An hon. member: That is not related to the bill.

Ms. Copps: It relates to the bill because the bill deals with the provision of a port warden for the Harbour of Quebec and an act to amend and consolidate the acts arising out of the office of port warden for the Harbour of Montreal. I am suggesting that instead of coming in with the small step to clean up a particular situation in Montreal and Quebec, what the government should do is

issue comprehensive legislation to restructure the way we do business in the harbours of this country.

Clearly, when we heard the previous speaker speak about allegations of conflict of interest, we are at an all-time low ebb in terms of public trust. It is not simply a Tory problem. It is a problem that faces all politicians. One of the reasons for that is because there is a public perception, buttressed by situations such as the Lush affair, that certain friends of the government have an undue opportunity to profit from their inside activities or insider information in, among other things, the workings of our ports and harbours.

You heard the previous speaker speak about real estate transactions in the city of Montreal that dealt with the previous Minister of Public Works and how that impacted on the ports in Montreal and in other places. I suggest that that problem is not unique to that particular port but, rather, is a potential problem in harbour commissions across this country.

If you read the letter that went to the Prime Minister on October 10, it is not a Liberal plot to raise the issue. It is an all-party unanimous resolution of the Council of the Corporation of the City of Hamilton unanimously adopting the following resolution:

> That, consistent with the resolution adopted by Hamilton City Council at its meeting held 1990 March 13—

The details of which went to the Minister of Transport in March, 1990.

> —the following resolution be forwarded to the Right Honourable Brian Mulroney, Prime Minister of Canada:
>
> (a) That City Council call upon the Federal Government to revisit the recommendations made by the City's "Task Force to Review the Mandate and Structure of the Hamilton Harbour Commissioners dated January 1989" with—.

Mr. Lewis: Not a chance.

Ms. Copps: Not a chance? Not a chance, the Minister of Transport said. He has not even had the courtesy, via the Prime Minister, to reply to a unanimous resolution of the Corporation of the City of Hamilton. Yet, we hear the minister from his seat saying "not a chance".

Mr. Lewis: I already reviewed that last year. You should catch up.

Ms. Copps: I have been in touch with the mayor's office as late as five o'clock this afternoon. The Prime Minister has not responded to their letter.

Clearly, the resolution's call for the review of the mandate and structure of the Hamilton Harbour Commission dated January, 1989:

> That the Federal Government undertake to immediately fill the vacancy on the Hamilton Harbour Commission—.

And, I might add with a Hamiltonian, or somebody who represents the interests of Hamilton. He will remember that when his colleague, the former Associate Minister of Transport, was pushing so hard for the nomination of Peter Lush that she went against all political advice from all sources in the city of Hamilton. The situation has created a bad taste in the mouths of a lot of Hamiltonians when our interests are not being represented on a commission that is supposed to speak, in part, for the people of Hamilton.

Furthermore, they ask that a consultation occur with the city of Hamilton before the new position is filled on that particular commission. Third, and most important:

> That an open public inquiry be undertaken to ensure that any sale of land with specific reference to the 1987 sale by J.I. Case Canada to the Hamilton Harbour Commission in which Mr. P. Lush declared a conflict of interest complied in all respects with the Hamilton Harbour Commissioners Act—which reads in part:
>
> "The Corporation shall not have any transaction of any pecuniary nature, either in buying or selling, with any member thereof, directly or indirectly."
>
> and further, that Hamilton City Council request an immediate meeting with the Prime Minister of Canada to discuss and review harbour issues and concerns, and that a copy of this resolution be forwarded to all local MPs, and that all local MP's including Shirley Martin, Geoff Scott and Bill Kempling—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order! I noted that the Hon. Member for Hamilton East had promised to keep her remarks relevant and I urge her to return to the issue under discussion, namely the Montreal and Quebec harbours.

Ms. Copps: Mr. Speaker, it seems to me that while we are dealing with a particular harbour, nothing prevents the government from taking action on other harbours at the same time. If the government had had the courage to follow the recommendations as unanimously tabled by all political parties on the Hamilton City Council, they would have introduced an omnibus bill to correct the

outstanding problems in the Montreal and Quebec harbours while demonstrating at the same time that Parliament is in the process of cleaning up the Department of Transport.

[*English*]

Mr. Belsher: Speak to what it is.

Mr. Lewis: It has no relevance whatsoever.

Ms. Copps: Mr. Speaker, I am speaking about a bill which deals with ports and harbours of Canada. I am sorry if it hurts the hon. members that a unanimous resolution of the city of Hamilton does not seek relevance in the record, but clearly, Mr. Speaker, it is part of the over-all government policy of ports and harbours.

I have every right as a member from the Hamilton area to raise in the House relevant issues, asking the Minister of Transport why he has not broadened the horizons of the port bill, C-82, which is currently before the House. It has much relevance and I believe, Mr. Speaker, that if you examine all of the—

Mr. Lewis: It has no relevance.

Ms. Copps: Mr. Speaker, if the Minister of Transport does not have the guts to stand up in the House and make the comments that he is making from his seat, I would ask him to stand up and speak to the issue. I want to know why—

Mr. Lewis: The member wants it on the record. The member's debate is completely irrelevant. Therefore, it is on the record.

Ms. Copps: The member continues to shout from his seat that he has no intention of changing the mandate of the Harbour Commission as requested by Hamilton City Council unanimously. He refuses to answer why the Prime Minister has not even bothered to reply to a city council unanimous resolution, and he further refuses to answer to the people of Canada—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I regret to interrupt the Hon. Member for Hamilton and appreciate the efforts she is making to refer to her riding of Hamilton East, but I must emphasize the fact that her remarks must be relevant and deal with the Quebec and Montreal harbours. She could also mention the possibility that this bill may apply to other harbours everywhere in Canada.

Therefore, I seek the co-operation of the Hon. Member for Hamilton East.

Ms. Copps: With all due respect, Mr. Speaker, may I suggest that as we are dealing with harbours, all those speaking in the debate may refer to harbours in general. This bill affects a number of harbours such as those in Montreal and Quebec City, but I see no reason why I should limit my comments to these two harbours. All harbours have problems. My hon. friend of the New Democratic Party referred earlier to the conflict of interest problems involving the Montreal harbour. I suggest that this is not only a problem which affects Montreal, but is at the heart of the National Harbour Board system as demonstrated very clearly here in this House over the past month and about which the municipal council of Hamilton is demanding a reply for the government. Therefore, should the Minister of Transport introduce other bills dealing with harbours, I should be most anxious to participate in their discussion.

• (1810)

I read the agenda but did not see any other instrument aimed at broadening the policy of the Minister of Transports concerning ports. I do not see why I would not be entitled to deal with problems which are not peculiar to the port of Hamilton but which relate as well to potential conflicts of interest in Montreal, Quebec City, Toronto and in a number of other sectors where a commision is established to extend certain privileges to certain individuals who can normally or generally be considered to be friends of the government. I would therefore suggest that evidence of relevancy is there for anyone to see.

In conclusion, Mr. Speaker, I just want to say that following the resolution adopted by the Hamilton municipal council I wrote a letter dated October 19 in which I asked for a response from the Prime Minister at the earliest time.

[*English*]

I asked for a follow-up to the unanimous resolution of the Hamilton city council. I wrote a letter to the Prime Minister on October 19 in which I asked him for a very speedy answer to the legitimate concerns of the people of Hamilton as they concern the disposition of lands, and

in particular authority relating to harbours, ports and harbour commissions.

Clearly, the Prime Minister has chosen to ignore the legitimate request of the city council of Hamilton, and the Minister of Transport shouting from his seat basically indicated to the House that he had no intention of acting on the legitimate requests of the city of Hamilton.

All we are asking for is a fair public hearing so that we can restore public faith in the process. If we cannot get the fair hearing outside the House of Commons—surely this place is a relevant place to get that kind of hearing—once again,—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. Again I regret to interrupt the hon. member but parliamentary tradition is that we should refrain from referring to the presence or absence of a colleague. Again I would urge the hon. member to co-operate with the Chair and stick to the subject matter of the bill.

Ms. Copps: You may have misunderstood what I said. I did not refer to the presence or absence of anyone. I said he was not prepared to deal with this issue. He was in the House, he was shouting insults all the time, but he was not prepared to talk about the issue. That is the point I was trying to make.

Still, Mr. Speaker, I think I got my message across and I hope the Minister of Transport will show a bit of leadership with respect to this bill, precisely to show Canadian taxpayers that he is careful when he spends their tax dollars.

[*English*]

All I want—my colleague the member for Hamilton West intends to pursue this issue with me as well as the member for Hamilton Mountain—is some simple taxpayers' justice. We want the taxpayers' money to be respected, and we want to make sure that when the government is moving with a new bill, it puts in place the guidelines, and in particular the audit and the instruments that are necessary to protect the taxpayers of Canada, and protect the integrity of the system.

We would like to see that done through this bill, and in expanded form. In particular, we would like to see an omnibus bill to clean up the mess that currently is characterized by, among other things, the Peter Lush affair and the Hamilton Harbour Commission.

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

Some hon. members: Question.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion.

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*English*]

CROWN CORPORATIONS DISSOLUTION OR TRANSFER AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Friday, October 26, consideration of the motion of Mr. Lewis that Bill C-73, an act to provide for the dissolution or transfer of certain Crown corporations and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am not going to take very much time, but I want to be on record in support of the excellent statements that have been made against the privatization of a number of the corporations on the minister's list and included in this bill.

We have made the case from our point of view that as Toronto members—and I am referring here to speeches made by Toronto members—it does no service to the citizens of Toronto to dissolve the Toronto Harbourfront Corporation. Harbourfront has proven its value, and that goes without saying, but, more than that, it is an important window for the Government of Canada into the city of Toronto.

I know the argument: Why is the federal government taking care of parks? Why isn't that done by the provinces? Why isn't that done by the municipalities? In other words: "Why", the Tories ask, "should the federal government be doing something that other levels of government can do?"

In a minute or two I want to explore that argument because I think it explains why this country is going down the drain. It explains why Canadian people are losing the sense that this country stands for anything. The federal government is searching through its inventory, looking on every shelf and in every cupboard, for things it can get rid of. Whether by deregulation, whether by turning them over to the provinces, whether by shutting them down, whether by giving them to the Americans, one way or another the federal government seems to be determined to go out of business.

Canadians notice that. In various parts of our country people are starting to see their region as being much more important and much more meaningful than the national government. To a point, regional governments are important and regional issues or regional values mean something. However, if the federal government is going to take the attitude that it should turn over and get out of everything that it can based on some ideology, that philosophy taken to its end is going to cost us our country.

The minister responsible for privatization is in the House. I certainly appreciate that, because very often ministers of this government are not here when their bills are being considered in the House. I want to thank him for coming to listen to this debate. I want him also to reconsider the kind of wholesale approach that the government is taking to operations that can be disposed of.

I want to remind him, for example, that university education could be described as a provincial matter. Research and development could be described as something that the federal government should get out of because other levels of government, when we read the BNA Act, may be able to make a larger claim to do it. Medicare is another example of a program that would never have been implemented if a Conservative government with the philosophy of this government had been around. Why should they take it on, they would say, when provincial governments are doing it already?

Mr. McDermid: Who brought in hospitalization?

Mr. Kaplan: I want to give one final example, an example that I have had considerable experience with, and that is the Royal Canadian Mounted Police. Here is a national institution, the Royal Canadian Mounted Police, not provided for in the BNA Act. Policing is not listed under one of the federal powers. I am worried that, with the approach that this government is taking toward getting out of everything and getting rid of everything, we can see an institution like the Royal Canadian Mounted Police privatized and turned over—

Mr. McDermid: Who tried to take the "Royal" out of it? Pierre Trudeau.

Mr. Kaplan: There is no evidence of that at all. We would be out of business.

What we need is a government that will recognize that if this country is to be held together it has to be held together by human will, by people wanting to do certain things together, by developing an agenda, and by developing shared values. If those shared values and that shared agenda are just cutting up and disposing, turning over to the Americans or the provinces or the private sector or deregulating, if that is the agenda, then this country is going to evaporate. I would like to warn the government that it is set on that course. While I rise to talk about Harbourfront, one small example, it is part of a pattern that is very disturbing and the fulfilment of which can lead to the end of this country.

• (1820)

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I want to answer because there were some accusations made in the House last Friday and again today on what is happening at Harbourfront in Toronto.

I want to make it very clear that back in the early seventies, when the federal government got involved in cleaning up the Toronto Harbourfront, it made a commitment at that time that it was going to do that and then return the Harbourfront to the citizens of Toronto. That was the commitment that was made at that time.

The Crombie commission has come forward with a very good report. It was very well received by the city and citizens of Toronto. He is also working on a much broader waterfront review on behalf of the provincial government of province of Ontario.

The Harbourfront claims that have been going around of hon. members of the Liberal Party are factually and totally incorrect. The Harbourfront Corporation provides excellent programming for the city of Toronto and will continue to provide that excellent programming. The parks will be returned to the city of Toronto, a

commitment that was not made by our government but was made by the Liberal government in the early seventies. That is exactly what it said it was going to do. That is exactly what this government is doing: assuring that programming is going to continue there, assuring that the parks are going to be for the people of Toronto and attempting to get the buildings that were scheduled to go on the waterfront, off the waterfront.

That is what this is all about. It has absolutely nothing to do with getting rid of Harbourfront, as was mentioned by a number of metro Toronto members on the Liberal side who did not know what they were talking about at the time. They obviously have not read the David Crombie report and its recommendations. They have not seen the subsequent report that came from the provincial government, referred to as the Allen report.

The hon. member, who I know has not read either one, should have taken time to understand exactly what the Government of Canada was doing with Harbourfront. In fact, it is ensuring its longevity in providing excellent programming for the citizens of Toronto. That is what this is all about. He should not be standing here spouting off this nonsense about the privatization of Harbourfront. He should get his facts right before he stands up in this House and makes statements that are totally inaccurate.

Mr. Kaplan: Mr. Speaker, the minister has said one thing that I have to tell him I agree with. I have not read the Ontario government's report on the Crombie report, but I have read the Crombie report. I would like to give the minister some news. I do not agree with it. That is why we are standing up opposing a recommendation that the federal government abandon Harbourfront.

I would like to challenge the minister on the commitment which he says he has given to see that programming is maintained at Harbourfront. Where is that commitment given? It is certainly not in the bill. How do we know—

Mr. McDermid: It was just given.

Mr. Kaplan: The minister may feel that statements by ministers are the same thing as appropriations and commitments. I will tell him that they are not. If he were prepared to stand, give that kind of commitment, put it in writing and put it as a legally binding undertaking, I would at least concede to him that he was assuring that the Harbourfront, although it would lose the federal contact that I think is so important, programming itself would continue.

I want to tell the minister something else. When he says that the citizens are so happy to get it back, it happens that I was at city hall in the city of Toronto when it was debated about whether they wanted it back, whether they could afford to take it back. It is a very controversial question. They do not look on this as a gift from the federal government. They look at it as a commitment to come up themselves with $150 million to try to maintain programming to which the minister says he is prepared to make a commitment.

The minister will never persuade me that somehow or other Canada benefits from turning this project over to the city, but he could persuade me that Harbourfront will survive by bringing forward an amendment which only the government can do, because it involves an appropriation of funds, to assure that the new Harbourfront in the hands of the city of Toronto will continue to be supported.

[*Translation*]

That is a commitment I would be ready to recognize as a real commitment from the Government of Canada. But I can see the minister in ten, five or three years' time when he is back in the private sector, as he surely will be. Let us say it is a commitment of the government. A commitment from a junior minister in the House of Commons is not good enough.

The Acting Speaker (Mr. DeBlois): Other questions and comments? The hon. member for Glengarry—Prescott—Russell.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, first I congratulate my hon. colleague from York Centre on his excellent speech. I am sure all hon. members will agree that seldom has such wisdom been heard in this House. I want to ask my hon. colleague if he is as worried as I am about this government's attempts and attacks on the instruments of national unity that we have in this country.

I read this bill and I see various institutions being dismantled, the Livestock Feed Board being one of them, and of course we have talked about Harbourfront. I am worried about the privatization of rural post offices in Canada. I am worried about the post office buildings in this country. There used to be the flag of Canada on a government building in rural communities right across the country, and now we see those buildings being sold to the private sector and the flag of Canada being removed. On the logo of Canada Post Corporation the word "Canada" no longer appears. We see "mail", the logo, and "*poste*".

I am very much worried about that because yes, this country was built with private sector initiative, but with government encouragement as well. We have seen these instruments of national unity that have been dismantled by this government, some of them described in this bill, and the post offices and several others that have been privatized by other bills brought to the attention of this House by the member for Brampton, the minister of selling everything off.

Would my colleague agree that indeed this is very much cause for concern, that this government needs to be reminded that it is a custodian of the property of the taxpayers of Canada and that the property of the taxpayers is not just there for it to sell off as quickly as it can just because it has an ideological bent to do so?

Mr. Kaplan: Mr. Speaker, as you might have expected, I agree with everything that my hon. colleague has said, except the very generous phrase that he awarded to me for my very modest intervention. I feel that he has been very accurately describing the implications of this bill.

I think it is significant and worth noting, because it is always characteristic of this member for Prescott—Glengarry—Russell, that he touched on concerns not only of the city of Toronto and other parts of the country but particularly those, as he always does, that affect so closely his own constituency, an interest that he has tended and taken to heart with such sincerity and such dedication for so long.

• (1830)

[*Translation*]

The Acting Speaker (Mr. DeBlois): Questions and comments are now over. Resuming debate. Is the House ready for the question?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Finance) moved that Bill C-86, an act to amend the Income Tax Act (child tax credit), be read the second time and, by unanimous consent, referred to the Committee of the Whole.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, it is my pleasure to speak briefly to the second reading of Bill C-86, which implements important changes to the child tax credit bill.

It is intended to provide further assistance to families with low and modest incomes who have three or more children. The change was announced first by the Minister of Finance in his budget speech in February and is part of our government's continuing effort to ease the situation of those most in need. This important principle is one of the bases of our economic policies. Since the beginning of our term of office, we have acted to assist those Canadians whose situation called for action.

Our reform of the income tax system, for example, was intended, in part, to assist lower-income families. As well, I would point to the important role of the GST tax credit in the reform of the sales tax system. That credit also was to ensure that families with incomes below $30,000 would be better off than before. So under sales tax reform, three-quarters of all families headed by seniors or single parents will have more after-tax income than before. Unfortunately, I have to point out that that is still being held up in the Senate and it may be some time before those children actually receive those dollars. The proposal in Bill C-86 will raise the income ceiling

with respect to prepayment of the refundable child tax credit.

In 1988, the law was amended to produce the present arrangement. Under this arrangement, there is prepayment of up to two-thirds of the estimated refundable child tax credit, if the family's income does not exceed two-thirds of the family income ceiling for the credit itself. This situation, however, does not make adequate allowance for those families with three or more children whose incomes fall in a zone between two-thirds of the limit and the income ceiling. The budget proposal made in February and the current bill rectifies that situation. By raising the income ceiling for prepayment to 100 per cent of the family income ceiling for those families with three or more children, the government is recognizing the special needs of such families. This is particularly helpful at the normal time the prepayment is received, for this always comes in the winter season, when families have real need for those dollars.

It is estimated that 70,000 families with an estimated 236,000 children will benefit from this change. After the change is made, some 730,000 families in total will qualify for the prepayment. I should also point out that does not involve an increase in government expenditure, rather it is an increase of approximately $30 million by paying the families earlier than they would otherwise have received the money.

I should also point out that subsequent to the process in the House today, where we expect it will go through all stages and then, of course, it has to receive, and I hope it will receive, speedy assent in the Senate. Then it will require Royal Assent. Subsequent to that the government will make all efforts to get these cheques out as expeditiously as possible. It may require up to two weeks.

I think it is appropriate at this time when there has been such a focus on the children of Canada, especially the children from lower income families, that this House deal with this bill as quickly as possible.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise to make a few comments in support of Bill C-86, and I want to first pay tribute to my colleague, the member for Ottawa South who brought this matter today to the government's attention.

Over this past weekend I was in my riding and I received many phone calls from single parents across my riding who were really frightened when they heard that these cheques were not coming up. One young woman, quoted in the *Halifax Chronicle Herald* said: "Had I known that this was going to happen, I would have made some arrangements over my bills because I had to have some money left for Christmas. Without this child tax credit, I will have no money to give my children any Christmas".

So, Mr. Speaker, it think it particularly relevant—

An hon. member: The GST—

Ms. Clancy: In the unlikely event that the GST will pass—that my colleague from Ottawa South when bringing this forward this afternoon, I think did a great service to those people across the country who are in desperate need of these cheques. To see this coming through today is something that has been long overdue. It should have gone through before, but I guess we can say thank God, it is happening today.

Mrs. Finestone: Better late than never.

Ms. Clancy: Better late than never, as my colleague, the hon. member for Mount Royal has stated.

Mr. Speaker, this will be a great relief—provided we get this through with all possible speed—to parents across Canada, and in particular, single parents, the vast majority of whom are women. So, Mr. Speaker, we certainly support this. We support it going through with all due haste and going through this afternoon.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I am pleased to rise today in the House to support Bill C-86 and to offer the support of my caucus on this bill.

This bill will allow an estimated 66,000 additional families with a total of 230,000 children to benefit from the advanced payment of the child tax credit. The measure does not involve any increased cost to the government. It simply is a matter of when these families are paid this credit.

The bill must be passed as quickly as possible for several reasons. This was a measure that was promised in the 1990 budget. It was a promise that was affirmed in a letter to thousands of Canadians in September, telling those families to expect prepayment this month and it was reaffirmed by a press release issued by the finance minister on October 11 of this year. The promised date was November. I am pleased that the government listened today. I am pleased that the government lis-

tened to my House leader, the hon. member for Kamloops, who made representations to the House leader of the Tory caucus. I am pleased that the government listened to my statement today in members' statements and have moved to expedite Bill C-86.

• (1840)

The purpose of prepayment is to allow poor families to receive money when it is most needed, not only to celebrate the holidays but also to buy very necessary warm clothing and footwear for their children.

Many of those who received word in September that they would be getting this prepayment in November have already made plans for this money. Newspapers and television programs across the country have been documenting stories over the weekend of families that were very, very concerned when it appeared that the government was not moving forward on this issue. We have heard through the media from a number of Canadians just how this impacted on them personally.

There was the story of a mother of five in Ontario who earns a paltry $19,000 a year. Her quote was that she wants "the politicians to get off their butts and do something". Well, I am really pleased that we are doing that here today.

There is a woman in Lower Sackville, Nova Scotia. She claimed that the credit was meant to be Christmas for her kids. As a single mother of three she was very angry when it appeared that it was not going to be moved on. Again, I would like to pay credit to my House leader, the hon. member for Kamloops who urged the government to act. I am pleased the government listened today and we were able to force the government to move on this bill.

We hope that these families will receive their cheques this month, otherwise these families that I speak of and countless other families across Canada will be forced to spend their Christmas season in desolation and also will be unable to supply their children with the very necessary warm winter clothing that children in our country need.

I sincerely hope that Canadians will receive this in the next month. This bill is a small step in alleviating the poverty of children in our country. It simply means that payment of the child tax credit will be paid before Christmas instead of in the spring.

We know that child poverty is the national shame of Canada. Statistics talk about the poverty of children in this country. Nine hundred and thirteen thousand children under the age of 16, one in six Canadian children, live below the poverty line. Of these children, 55 per cent are from two-parent families, 39 per cent are children in one-parent families headed by a woman. Sixty-four point five per cent of children who are being raised by a single mother are poor. Also, 28.4 per cent of children in families headed by a single father are living in poverty. Half of all of the poor children in Canada live in families where the head of the family works full-time or part-time. Fifty-one per cent of native children live below the poverty line in this country. That is a shocking statistic.

In 1986, 49,000 children were in the care of the child welfare systems in Canada. According to agencies in various communities between 54 per cent and 75 per cent of these children come from low-income families. About 40 per cent of children and youth in the care of the child welfare system have experienced abuse or neglect. Numerous studies have established that link, that correlation, between adverse economic conditions and child abuse.

According to a 1980 report, native children accounted for more than 20 per cent of the children in substitute care in Canada, although they represent only 2 per cent of Canada's children. Forty per cent of the users of the food banks are children. Twenty per cent of those food bank recipients are under the age of five years.

Although there are 625 McDonald's restaurants in Canada, there are 1,100 food banks and soup kitchens in this country. In my province of British Columbia, over 20 per cent of the children in that province are living below the poverty line.

I will just conclude with a couple of comments. There is a difference in the threshold that was announced in the budget, the cut-off for the families that will receive this aid. In the budget it was set at one level, but now, when it comes before the House in Bill C-86, the threshold is at a lower level, and I wonder why that happened.

For the first time I believe the government is recognizing the needs of larger families with low incomes and has developed a policy to assist them with the tax system. As I said earlier, it will not cost the government any money. It just means that these families will get the money during the season when it is most needed by them.

I want to thank the government and the Official Opposition for moving together. I think this is an example of how the House can co-operate on very needed legislation and I am pleased to take part in that today.

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

Some hon. members: Question.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. DeBlois in the chair.

On Clause 1

Mr. Boudria: Mr. Chairman, I only have one question, of course, providing that the answer will be to the satisfaction of the opposition.

Perhaps the parliamentary secretary can consult with the officials and confirm that under no situation, with the passage of this bill, and in the unlikely event that the GST is adopted, will anyone making this salary or less be the loser under the GST? In other words, can the parliamentary secretary tell us if the amount of the child tax credit will suffice so that no one loses money after the GST within the tax bracket mentioned in the bill?

Mr. Worthy: Mr. Chairman, I may need to get some clarification, but my understanding of what the hon. member is asking is two separate things. We have the goods and services tax with the rebates that come from that and now we have the child tax credit. This bill deals strictly with families with three or more children and whose income is equal to or less than the amount of $24,000 and some.

These are two separate issues. One is the goods and services tax which we could go into, but I think it would be inappropriate.

Mr. Boudria: Mr. Chairman, I am aware that the rebate of one is included in the other legislation. It is clearly insufficient. The Canadian National Council on Welfare and many others have already indicated to us that the rebate available under the GST is insufficient to cover the losses that poor families will suffer.

• (1850)

I am asking the parliamentary secretary about the losses that families will incur—and we all know they are there—as various groups, including the National Council on Welfare, have indicated there will be. Now we have this additional tax credit. Even with the combination of these two things, the tax credit plus the rebate under the GST, there will still be large numbers of people who will be financial losers under the GST, particularly at the lower tax bracket. Will he confirm to us that this is so?

Mr. Worthy: Mr. Chairman, obviously I cannot confirm that. In fact, I would very much like it if we had time to go into a very healthy debate about just exactly the opposite premise.

All indications that the government has had is that people, especially in the income area of $24,000 and under, will benefit from the GST. There are some families, depending on their spending patterns, who could be exceptions. No one can tell exactly how people will spend their money, but all the studies to which I or the government have had access would indicate it is actually the opposite and contrary to what the hon. member has indicated. The families with children in the situation which we are discussing in this bill will, in fact, be better off under GST than they are.

[*Translation*]

The Assistant Deputy Chairman: Any further comments?

Some hon. members: No.

[*English*]

Clause 1 agreed to.

Title agreed to.

Bill reported.

Hon. Doug Lewis (for Minister of Finance) moved that Bill C-86, an act to amend the Income Tax Act (Child Tax Credit) be concurred in.

Mr. Boudria: I rise on a point of order, Mr. Speaker. We do want to co-operate, but I do hope that perhaps the person seconding the bill at report stage would be present in the House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Motion agreed to.

Hon. Doug Lewis (for the minister of Finance) moved that Bill C-86, an Act to amend the Income Tax Act (child tax credit), be read the third time and passed.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the said motion?

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am certainly delighted to speak during third reading of this bill, an act to amend the Income Tax Act (child tax credit).

It is most appropriate that I speak because only yesterday in my constituency I heard of a family that was definitely in need of this type of credit.

I was worried why it took such a long time, since it was first announced in February, to table the motion on October 11. Be that as it may, I am still pleased that the amendment has come. Now we can see the passage of this bill.

I certainly support the amendment applicable to 1990 and subsequent years which, for families having three or more children eligible for the prepayment of the credit, will increase the pre-limit income ceiling from two-thirds of the family income ceiling for the credit itself to 100 per cent of that amount.

On that note, Mr. Speaker, I thank you, and I think a lot of poor families will thank the House of Commons.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, I just want to say a few words.

I think all the children in Canada who are going to benefit from this bill would wish me to thank all members of the House who have made it possible to put this through in such quick order today. I do hope that it will see speedy passage through the Senate and that the children and their families who will benefit will do so well before Christmas when they can, in fact, see the benefits of these dollars.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Milliken: Mr. Speaker, in light of the very substantial progress that has been made today—three government bills have received second reading and another has been passed through all stages—could the government House leader perhaps advise us what the business will be tomorrow? We have completed almost everything he announced for tomorrow. Could he inform us what it is we are going to debate in the House tomorrow?

Mr. Andre: Mr. Speaker, it is my intention to call tomorrow the bill dealing with Trust and Loan Companies Act. It is Bill C-83. That will be for tomorrow morning.

Tomorrow afternoon, perhaps we could deal with Bill C-85 or Bill C-40.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, in November, 1985 the Conservative government promised farmers across the country and people in all rural communities that we would have a permanent agricultural policy. That was some five years ago. It is now 1990, almost 1991, and we are still waiting for that permanent program.

Last December, the present Minister of Agriculture established a number of task forces to review the

agricultural situation that would suggest directions in policy. Those task forces have been meeting. There have been reports that have been filed, and the minister had promised that legislation would be in place for the 1991–1992 crop year. As of today, however, there has not been a bill presented or placed before this House. There are all sorts of housekeeping bills that have been coming before the House. This very important legislation, which requires strong debate and an in-depth view, has not been presented before this House.

• (1900)

The government has in the past bragged that it has spent billions and billions on agriculture, and that is true. Those billions that it has spent over the last few years have not been an investment that has been in the best interest of farmers. This money has not been in the best interest of urban dwellers and of taxpayers. We still have, despite the money that has been put into agriculture, people who are leaving the farm every year. Bankruptcies have increased considerably. We have a problem in rural Canada. In Saskatchewan, in 1985, when the government first promised to introduce legislation, we had over 65,000 farmers. We are now below 60,000. We are losing over 1,000 farmers a year in Saskatchewan alone.

The problem is serious and the situation is desperate. Throughout rural Canada, communities are suffering, jobs are being lost and businesses are closing because the agricultural economic base is disappearing. For a long time communities have been shrinking. Now they are starting to collapse. Since World War II, successive Liberal and Conservative federal governments have failed to pay attention to this most important issue, an issue which affects the largest portion of this country. It is the future and welfare of rural Canadians.

The question I am asking is very simple and straightforward. When is this government going to introduce legislation to deal with the agricultural crisis in this country? It has promised legislation but it has not introduced it. In western Canada, we have had one of the best crops in decades. Some farmers tell me it is the best crop they have ever had. They have grain on the ground but they cannot sell it. The prices are extremely low if they do sell it.

The government has promised legislation. When bills are introduced in this House, it is going to require that they be analysed and debated. I hope the government is not planning to introduce legislation next spring and then tell the opposition to pass it right away. That would certainly be unfair. That happened with the cash advance payments. It was introduced in September and the government said it was the New Democrats who were holding up the legislation and if this bill could pass, farmers could get payment. That is extremely unfair and undemocratic. This issue is too important for that sort of attitude.

I ask the government this: When will we be receiving some legislation in front of this House and what will be the objectives of this legislation? Is it to help farming families survive? Is it to help agri-business? Is it to help the Cargills of this world? When will we get legislation and what will be the objective of this legislation when we get it?

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, it is certainly true that the farmers are faced with an ironic situation because of the near record crop that has been produced in all parts of Canada. Prices have plunged as world supplies have been there, distorting the export subsidy and distorting our prices very much.

There is one thing I have to say. When farmers called on this government to help, the government was there to help them. It did answer that call.

Earlier this year, on October 13, the Minister of Agriculture announced a one year program of the reintroduction of the interest free cash advances on undelivered grain. That is going to help many producers.

That provides $50,000 interest free, plus, if they require further dollars than that and qualify for it, they are able to get additional dollars to help their cash flow.

Even that amount is going to greatly enhance the cash flow of many of our farmers. It is going to provide for this program upwards of $1.4 billion to be advanced interest free, which is a total cost of about $95 million. Of course, we all know how those programs are going to be administered through the various groups, whether they be in western Canada or in other parts of the provinces

where we do not have the Western Grain Stabilization Board and so on.

Mr. Speaker, the programs that we are working on are co-operative programs worked out by the federal government, provincial governments and the producers of those commodities. Many of those commodities are having a desperate time surviving today.

That is the only way that we can provide the long term solutions that are required. We cannot come in with *ad hoc* programs. We have tried that. We know that the 1980s have been very different from other years because of the situation changing throughout the world with the United States and European Community paying massive export subsidies that have damaged our markets. It lowered the world grain price and it has made it very difficult for us to compete against the treasuries of those other countries, as well as for our farmers competing against other farmers who are producing food for the world.

The first program that we hope to have in place is the grains and oilseeds safety nets. We have a committee of farmers and various officials working on a program. We know the ministers of agriculture are meeting later this month. We know it is going to take the co-operation of the provincial governments, along with the federal government, and the producers to come up with the long term solution to what we have today. Governments do not have the answer to all of these things, but by working together we know that will happen. We believe that will give us a long term viability and the security that is necessary.

I want to say again that the practices of the United States and the European Community have hurt our farmers tremendously because of the drastic fall in international grain prices. The only way we can combat this is to work through GATT for a reduction of those world subsidies where we can compete fairly.

Our farmers are the best in the world. They have a quality product and it will compete for quality, but you just cannot compete with the treasuries of these countries.

We believe that by working through GATT, along with the safety net and various other programs that we hope to have in place for the 1991 crop, will be the answer to a lot of our problems.

MONETARY POLICY

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I am pleased to rise today in connection with a question I asked the Minister of National Revenue on September 26 of this year concerning the proposed goods and services tax. In fact, it had to do with asking the minister whether he had instructed businesses to begin advance collection of the GST.

I am delighted to have the opportunity to expand on the question and perhaps hear the parliamentary secretary's response.

First, may I say that in answer to my question, the hon. minister began with what he thought was a put-down, when he said and I quote:

> If the hon. member would welcome the invitation that I gave him for a briefing, I would be very happy to let him know the rules of C-62.

I would like to begin by saying that virtually at the moment that I was appointed the official opposition critic for revenue by our leader, I contacted the department and asked for an opportunity to have a briefing.

The members of the department took some time in order to get themselves together so that they could all be present at the briefing they intended to give me. I was ready, willing and able to attend at any time. It was due to the inability of the departments to get all the department heads together quickly that we were unable to have a briefing at the time that I put this question forward.

I want to make it quite clear that I at all times was very happy to accept the invitation of the minister, and that he knew, or should have known, that the delay in the briefing was due to the fact that his departmental officials could not get together. May I say in passing that the briefing was excellent and that I thanked his officials for the briefing.

• (1910)

To the specific question, what prompted the question was a call from a constituent, Charles Angus, who lives on Clapperton Avenue in my riding. He had received an invoice from the T. Eaton Co. The invoice is dated July 31 of this year. Enclosed in it is the following statement and I quote: "Dear Customer: The federal government has defined extended warranty policies as a taxable GST service". Here is the important part: "As of September 1, 1990, regulations require that we collect this 7 per cent tax on that portion of your policy that is in effect in

1991". There is an invoice and on the invoice, which is dated July 31, there is a charge of $3.26 for the GST.

This legislation has not even passed the Senate. In July of this year, there was no possibility that the GST was law. There were no regulations which indicated that Eaton's would have to collect this money. Yet the customer was billed and requested to pay the GST.

I did have the opportunity to review *Hansard* for October 30 when the hon. parliamentary secretary answered a question from my colleague, the member for Dartmouth, and purported to answer my question at the same time. He brought to light that on August 9 of this year the minister had sent out a press release advising businesses of certain things. It is very interesting what was advised. The release stated that businesses supplying goods and services to be delivered after 1990 will be accountable effective January 1, 1991, for the proposed 7 per cent GST on advance payments made between September 1, 1990, and January 1, 1991. What the heck does that mean?

Obviously to Eaton's it meant that they had better start charging and collecting the GST effective September 1. Was Eaton's alone? Of course it was not alone because on August 14 the Canadian Bar Association, of which I am proud to be a member, sent me an invoice. That was five days after this marvellous press release sent out by the department. That invoice, August 14 mind you, asks me to pay $13.65 in GST.

Of course, I have not paid it. I have paid my dues but not the GST because, as we know from the minister, there is absolutely no legal requirement for me to pay the GST. Does that help the consumer? Does that help the Canadian populace? I do not know.

I am also a member of the Canadian Automobile Association. We have heard how frequently it has been stated that the GST is such a visible tax, so I looked up the definition of "visible" in the Oxford English Dictionary. It says: 'that can be seen by the eye; within the range of wave lengths to which the eye is sensitive; that can be perceived or ascertained; apparent or open". I am looking at my invoice from the Canadian Automobile Association. They want $81.25 for my membership dues which includes the GST, but there is nothing on this invoice that tells me how much of that $81.25 is GST, although they clearly say that part of it is. So much for visible.

What are businesses doing? They are caught between a rock and a hard place. If they do not collect the tax, they are going to be liable for it anyway. If they do collect the tax, they are doing something that is in effect illegal because there is nothing upon which to base the collection. This was vividly demonstrated last Friday when some elderly constituents of mine called to say that they had attempted to make funeral arrangements for themselves. The funeral home had stated that they would have to prepay the GST. When the constituent refused, the funeral home said: "Very well, no contract. We will not sell you the prepaid services unless you pay the GST". He said: "Fine, I will pay the GST but if it does not pass, give me a refund". They said: "We will give you a refund". He said: "Of course, you will give us interest" and they said: "Not necessarily". We were not talking about a small amount of money because the prepaid GST on that amount was $1,300.

The point of my remarks is that this government, through that ambiguous press release of August 9, 1990 and through its policy of washing its hands of disputes between consumers and business, has set business against consumers because the consumer cannot win against the T. Eaton Company or cannot win against the business that will not give services if the GST is not prepaid.

The question simply was: Why has the government washed its hands and set the consumer adrift?

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I realize that, as the hon. member said at the beginning of his question, he read what I said on October 30, when I was answering another question. At the time, I mentioned that my detailed response would interest both the hon. member for Dartmouth and the hon. member for Scarborough. I think the hon. member for Dartmouth, considering his gesture at the end of my speech, seemed quite satisfied with my explanation.

The problems the hon. member mentioned are ones that I have experienced personally, and I did not relish the experience!

However, I would like to say to the hon. member that even if his party is against the GST, the real problem today, and he knows this as well as I do, is the other

place. We hope all these problems will be dealt with, otherwise we will have our own problems with respect to our own spending in our day-to-day lives. As my wife told me not long ago, we just paid for our alarm system. The cost is spread over a period from September 1990 to September 1991, and not only were we charged the tax before 1991, but we were charged for 12 months, although the tax will not be in effect until January 1991, if then.

The problem we have today, although we tried not to get involved in any more of that unfortunately with everthing that is happening, there is a real problem.

[*English*]

I would like to say to my hon. colleague that he can always read what I said. I will repeat it for the people who are listening. I would like to have on record again that the collection of GST for transactions straddling the transition date is strictly voluntary. Both have to agree, the consumer and the business involved.

This is what I did with all my people. We came to an agreement. Sometimes I got myself mad at my friend who charged me for 12 months of alarm service when he should charge me for 8 months. It is eight-twelfths of the invoice.

At the beginning it is a problem, but I think with the good faith of two persons an arrangement can always be negotiated. They must know that this is only on a voluntary basis. No one should charge. It is very clear.

I want my hon. colleague to read exactly what I said, as reported at pages 14918 and 14919 of *Hansard* for October 30. I presume that he and his colleague were asking for the same answers.

Even, to go through it briefly, I know that sometimes the consumer and the person in business were not present at the meetings. I know they did not always understand, but I do not blame them. It is new. I said to my people that it was new and that they would get used to it.

In the meantime, let us hope that the other chamber will make it easy for everyone.

TRADE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, on October 19, I asked two questions in the House with regard to the economy of eastern Ontario.

One of the questions dealt squarely with the plight of the town of Renfrew which has lost a total of 1,667 jobs, a total of eight industries, and a reduction in others in the last couple of years. One of them goes back even beyond that, but it has been a constant ever since Mitel closed. The Government of Canada allowed the sale of Mitel to a British firm. It allowed that business to buy 51 per cent of the Canadian company, and it closed down the firm with 550 employees. Since then others have followed.

• (1920)

I was particularly concerned with the answer that the Minister for Science gave me that day; he was standing in for the Minister of Industry, Science and Technology. He as much as said that I should be out looking for industry instead of asking questions in the House.

Over the past year or longer I have been working with the mayor of Renfrew, with the council, and with the industrial commission. I have had meetings with government departments in Ottawa, with many people, and with industries that we invited in to join us. I have been to Queen's Park in Toronto and met there. I have been south of the border to meet with people and I have travelled around this country.

I want to say to the minister for science that he had better give a more intelligent answer than that. He had better do his homework before he insults a member of this House who is doing his homework. I sometimes wonder why he was a president of a university when he stands in the House and acts the way he does.

Last summer, the hon. member for Stormont—Dundas, the hon. member for Glengarry—Prescott—Russell, and myself raised these issues of eastern Ontario. We held a news conference in which we provided accurate figures. However, for some strange reason the Minister of Supply and Services, who is supposed to be the fighter for eastern Ontario, stood and said afterward: "Well, the Liberal members have blown the economic situation in eastern Ontario out of proportion". Then he accused the Liberals of manufacturing figures.

I have the figures right here that we used in that press conference last summer. Do you know where they come from, Mr. Speaker? They come from his own government's Department of Employment and Immigration.

The minister went on to say: "They are not adding up the pluses". You bet we are. Down in the right-hand column of this report from the employment office in our area are the minuses of jobs that were lost and the pluses of those that were created. The bottom line adds up to 1,667 in the town of Renfrew alone. Surely that deserves more than a smart aleck answer from a minister on the benches opposite.

Mr. Speaker, as you know, I am not one to be up in the House shouting and screaming about things all the time. Things have to be pretty bad before I do. I do my homework before I get up, and I expect others to do theirs.

The other question I raised was on the forest industry, particularly in Ontario. It is really being hurt by the 15 per cent export tax, high interest rates, and the artificially high Canadian dollar.

I have talked to people all summer long, last spring, and this fall. It is sad what is happening out there. The bank realizes that the forest industry is weak, so what does it do? The banks and the trust companies throw their demand for the repayment of their loans on the desks. People are selling $80,000 pieces of equipment for $40,000 in order to get the bank off their back. They are selling $40,000 worth of equipment for $20,000.

If this keeps up the forest industry in this country is going to be absolutely devastated. It is time the government considered some kind of moratorium to protect our small business and sectors of industry in this country if we are ever to have anything left after this recession is over.

The Minister for International Trade promised us he was going to introduce an adjustment assistance program in this House in order to help those who were hurt by free trade.

The government will argue that the forest industry was not hurt by free trade, that it was not mentioned in there. However, the forest industry in this country knows that they were the scapegoats of the free trade signing between the United States and Canada. It was Pat Carney, then Minister for International Trade, who signed to allow the Americans to charge a 15 per cent duty or tax on Canadian softwood lumber going into the United States.

Eventually the government decided to collect it itself, against our own softwood lumber people. Then the American banks lent money to their own industries, and along the northern part of the United States they built up their mills. They have a better product now than they had before and can compete better with us. Our own people are hurting badly as a result of this policy.

The lumber industry in this country feels that it was the scapegoat in order for this government to get its free trade agreement. Pat Carney, the Minister for International Trade at the time, has since been rewarded with an appointment to the Senate. Mr. Speaker, you can understand why I was really angry about this whole matter.

I am just going to put one more quote on record and then I will be finished. It is from Sinclair Stevens and deals with the negotiations which went on with regard to Mitel plant in Renfrew when it was about to be sold to a British firm. He had this to say as a reply in this House:

> I pointed out, and will point out once again for the Hon. Member, that Mitel was in difficult financial straits. The Hon. Member cannot have it both ways. This company has offered to put into Mitel over $300 million of fresh equity, which will at least ensure that 2,500 Canadian jobs, and 5,000, including international jobs will be preserved. I am on the side of the workers of Mitel, and I think it is time that the Hon. Member got on the side of the workers of Mitel as well.

That came from the benches of this government. Today we do not have a single employee left out of 550 in that plant. In fact, Archives Canada has taken it over for a storage place, a brand new plant that cost $30 million.

I am calling on the government to bring forward an economic plan for eastern Ontario. We are absolutely serious about this matter. We are absolutely honest about doing it, because something has to be done to protect those people out there whose lives are really being destroyed economically.

Mr. Jack Shields (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am sure my hon. friend will not mind my doing this, but I would like to acknowledge first three very important visitors from

Alberta who are visiting Ottawa this week: Mr. Al Bray, Superintendent of the Alberta Treasury branches, Mr. Chip Collins, Special Adviser to the Alberta Treasurer and Special Adviser to the Superintendent of the Alberta Treasury branches, and Mr. Vic Neufeld, Chief Inspector of the Alberta Treasury branches, who are down here visiting our fair city from our fair province of Alberta.

I would like to reply to my hon. friend. I recognize—and he should also recognize it—that with the free trade agreement restructuring of the Canadian economy is taking place. There are going to be some disruptions because of this restructuring. He should know also that we cannot continue, as we tried to do in the past, to surround Canada with an artificial border, because we are going global in trade and there is going to be some restructuring. He should understand that.

The other thing I would like to remind him about is that above all I and members of Parliament particularly from western Canada would understand very clearly the kind of thing he is talking about in terms of unemployment. The National Energy Program was brought in and the Petroleum Gas Revenue Tax imposed on the province of Alberta and the other western provinces by that government allowed interest rates to go up to over 22 per cent or 24 per cent. Believe me, I understand, as do members of Parliament and the people of western Canada, what can happen, not because of a restructuring and allowing a free economy to go but when we saw the kinds of things that happened with the National Energy Program which wreaked havoc on the provinces and put a lot of people out of work. We remember this very clearly.

I want to get into the memorandum of understanding on softwood lumber. This was done, with the support of the vast majority of producing provinces, to avoid the imposition by the United States of a countervailing duty and keep funds that may have been transferred to the U.S. and Canada. When the government negotiated the memorandum of understanding, this government never intended it to be a permanent measures and the Americans were so notified of this fact.

Since signing the memorandum of understanding in December, 1986, we have negotiated an exemption from the export charged for the Atlantic provinces. As a result of negotiations following the implementation of replacement measures by British Columbia, that province is no longer subject to the charge. British Columbia accounts for over 60 per cent of production and over 70 per cent of exports of softwood lumber to the U.S.

• (1930)

I am also pleased to note that as a result of negotiations completed last week between the Government of Canada and the United States, in which the province of Quebec participated, we were successful in lowering the rate payable on exports of softwood lumber from Quebec to 6.2 per cent as of November 1, 1990. The rate before November 1 had been 8 per cent as a result of earlier negotiations that had lowered the rate from 15 per cent. The current 6.2 per cent export charge will be further reduced to 3.1 per cent on November 1, 1991 and from November 1, 1992 to October 31, 1994 the export charge will be 3 per cent.

Accordingly, less than 25 per cent of softwood lumber exports from Canada are currently subject to an export charge.

We are, however, aware of the difficult times facing the Canadian forest industry as a result of a number of factors including: the availability of quality timber, changed economic conditions such as the slowing housing market and the increased value of the Canadian dollar, as well as the export charge on softwood lumber. As a result of the changing economic circumstances, federal officials have been working with their provincial counterparts and industry representatives in developing and examining our options with regard to the MOU.

The importance of provincial consultations cannot be over-stated. While there is no question that the federal government is responsible for trade policy, the management of the forest is a provincial responsibility. Any actions that Canada takes with regard to the MOU must be developed in full consultation with the provinces and with industry.

The Minister for International Trade has discussed this issue with provincial trade ministers and our options and strategy will continue to be discussed. The views of all provinces will be considered before any action is taken. Achieving a strong federal-provincial-industry consensus on the issue is critical.

In summary, we are examining our options, doing our homework, and consulting with industry and the provinces. The government is committed to seeking a permanent solution to this long standing trade irritant and will do so when a consensus for action is reached between all stake holders.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.32 p.m.

HOUSE OF COMMONS

Tuesday, November 6, 1990

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

DISTURBANCE IN GALLERY—SPEAKER'S RULING

Mr. Speaker: During Question Period on Wednesday, October 17, there was a demonstration in the gallery which occasioned a number of heated exchanges. The Chair undertook to consider carefully what had been said and to come back to the House and report if it were appropriate to do so.

On the following day, Thursday, October 18, the hon. member for Peace River, the Parliamentary Secretary to the Leader of the Government in the House of Commons, rose on a question of privilege, in his own words:

> —specifically to argue that certain members of the New Democratic Party participated in an action which demonstrated a clear contempt against yourself personally and this House generally.

The hon. parliamentary secretary then proceeded to charge that since the hon. member for Windsor—St. Clair knew of the demonstration, and did nothing to stop it, he was in fact an accessory to the contempt. He laid several items before the House and indicated that should the Chair conclude that this matter should be accorded privilege treatment, he was prepared to move the following motion:

> That the entire matter of the demonstration held in the public gallery on Wednesday, October 17, 1990, during Question Period, and the prima facie evidence that the hon. member for Windsor—St. Clair had prior knowledge of this demonstration be referred to the Standing Committee on Privileges and Elections.

[*Translation*]

The Chair has had the opportunity to reflect at some length on this matter and has found it convenient to organize its thoughts about three aspects of the matter. First, the disturbance itself is a prime concern and it is one which the Chair should like to pursue a little later on in these remarks, in order to focus initially on the more immediate concerns of whether there was involvement by a member or members of this House in the perpetration of this unacceptable demonstration and if so whether the conduct of an honourable member may be brought into question by means of a question privilege.

[*English*]

At the outset the Chair would like to make it very clear what is to be decided here. In ruling on a question of privilege the Chair does not ultimately decide upon the matter. The Chair can only decide whether, on the basis of the material presented to the House, it appears likely that there has been a breach of privilege, which is so grievous that we set aside all other business before this House to consider the alleged breach. To be more specific, in this particular instance, the Chair must be satisfied that from the evidence presented it is reasonable to conclude that the hon. member for Windsor—St. Clair had in some way participated in or aided in some manner the offensive demonstration.

The hon. parliamentary secretary has presented to this House what he described as prima facie evidence. There were, I believe, five pieces of such evidence. Perhaps it would be advantageous to consider what prima facie evidence is. Black's *Law Dictionary*, Fifth Edition, at page 1071 defines prima facie evidence as "evidence which suffices for the proof of a particular fact until contradicted and overcome by other evidence". Although the sufficiency of the evidence put forward was the subject of some comment during our discussion of the question of privilege, it does not appear necessary to delve further into that aspect because in any event it has been denied or explained or challenged and the Chair is of the opinion that those denials and explanations outweigh the evidence submitted which is largely circumstantial.

Speaker's Ruling

There is a time honoured tradition in this place that we accept an hon. member's word.

• (1110)

The hon. member for Humber—St. Barbe—Baie Verte in his intervention in this discussion described that tradition of accepting an hon. member's word "as primary and essential to the functioning of this place" and cautioned that "if we depart from that we will be in very great difficulty in this place". The Chair is indebted to the hon. member for Humber—St. Barbe—Baie Verte for that turn of phrase and for the reasoning developed in his intervention.

In response to the parliamentary secretary's accusation that he had prior knowledge of the demonstration, the hon. member for Windsor—St. Clair categorically denied that he or any member of his caucus was informed or was aware of it. He was supported in this by several members of his caucus. Even were he not, even were he to have stood alone, we in the House are bound to accept the hon. member's word—such is the nature of our institution that a member's word is paramount—and we lose sight of that at our peril.

To my mind, this aspect of the affair was concluded with the denial of the accusation by the hon. member for Windsor—St. Clair. Accordingly, I cannot find that there is any question of privilege which should be put to the House in respect of that matter.

Accordingly, it would not be appropriate to allow the parliamentary secretary to put to the House, as a privileged motion, that portion of his proposed motion that relates to the prior knowledge of the demonstration.

[*Translation*]

I should like now to turn to the demonstration itself and to a consideration of the propriety of raising that matter as a question of privilege. As I said last Thursday I listened with some comfort to representations from some members regarding the respect which we need to have for this place and which other people ought to have for it. I am pleased to accede to the suggestion of the hon. member for Saint-Denis that the Chair, at an appropriate time, remind us of what this House is all about and reinforce the seriousness of the disturbance which took place in our galleries. The hon. member for Saint-Denis, a devotee of parliamentary tradition, has a well-developed sense of the House and its changing moods and tenors and I sincerely welcome his well-considered advice.

[*English*]

I also understand and share the fear expressed by the hon. Minister of State and Leader of the Government in the House that the disturbance in our galleries might be seen as a legitimate form of political dissent and is an indication of the disrespect in which the perpetrators held this institution. Those who would safeguard their rights must be ever vigilant to insidious encroachments thereupon.

In the past, the House has usually chosen to ignore those who offended its dignity by interrupting proceedings because it was reluctant to inadvertently advertise their causes. Maingot, in *Parliamentary Privilege in Canada* notes at page 203:

> All kinds of misconduct in the presence of the House or of a committee may be treated as contempts on the ground that they part-take of an affront of the dignity of the House—
>
> Misconduct or misbehaviour in the traditional sense would include acts that disrupt or have a tendency to disrupt or interrupt the House or committees by such acts as shouting, throwing objects, waving placards—Many instances have occurred where disorderly conduct has taken place, even to the extent of temporarily suspending the House, but the general position of the House is that the dignity of the House would be best served by taking no action in such cases—The House is reluctant to take action against those attempting to disrupt the proceedings in this way because of the attendant publicity it would provide them.

Perhaps the time has come to re-examine our practice in this regard. If so, that is for the House to decide. What the Chair must decide at this point is whether the motion put forward by the hon. parliamentary secretary, now stripped as it is of any reference to prior knowledge of the demonstration, is to be accorded privileged treatment.

Were I to decide that the question should be put to the House immediately, then the hon. parliamentary secretary would be invited to put his revised motion referring the matter of the demonstration in the galleries to the privileges and elections committee. The motion could then be debated, amended, and voted upon. Depending on the outcome of that process, it might then be considered by a committee and reappear before the House if and when the committee reported.

[*Translation*]

If the Chair appears to belabour the point, it is simply to insist upon the potential complexity and length of the process initiated by the characterization of a question of privilege as *prima facie*.

[*English*]

The Chair states clearly that it would have very little difficulty in characterizing the revised motion as privileged, yet the Chair is reluctant to unleash the consequences of that decision. At this stage I wonder if I could prevail upon the hon. parliamentary secretary to consider, in view of the deletion of part of the proposed motion, whether he wishes to proceed with this matter as a privileged item at this time.

I would ask the hon. parliamentary secretary if he would help the Chair in that regard.

Mr. Cooper: Mr. Speaker, I have no problem at all in accepting the ruling that you have made today or the word of the hon. member for Windsor—St. Clair. It also would be my intention, as I understand it, to go ahead with the amended motion. I do not have a problem with that, if I am sure I have the right words.

Mr. Speaker: I take it the hon. parliamentary secretary has accepted completely the words of the hon. member for Windsor—St. Clair, and that is the hon. parliamentary secretary's declaration to this House. The hon. parliamentary secretary wishes to move the motion.

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons) moved:

> That the entire matter of the demonstration held in the public gallery on Wednesday, October 17, 1990, during Question Period be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: The House has heard the motion. Is there agreement?

Some hon. members: Agreed.

Motion agreed to.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I appreciate that at last a judgment has been rendered by the Chair on this matter which has, according to your opinion, dissolved itself into a question of the behaviour of students, the appropriateness or otherwise of student demonstration, and a peculiar motion to send the question of student demonstrations to the committee on privileges.

This is a matter that will require considerable reflection on my part to understand, in view of the statements and actions which precipitated it.

What we have with respect to this member is a decision that says that a member is to be taken at his word in the context of an allegation of contempt against this House that is based upon the unretracted deliberate statements of a member which brought forth contrived evidence to this House, and yet the only judgment is whether or not I am to have my word accepted.

It seems to me in the circumstances that we should review the nature of such charges in the mother Parliament where, if a member brings a charge of contempt against another member and which charge fails, that member is open to charges of contempt of the House himself. I would suggest to you, Sir, that the member who brought the charges to the House in the first place was far more in contempt of the House than were the students or his confreres who behaved in an atrocious way subsequent to that student demonstration.

• (1120)

Mr. Thacker: Nonsense.

Mr. McCurdy: The member brought a charge that was completely unsubstantiated; charges that were unsubstantiated according to his own—

An hon. member: He should retract them.

Ms. Mitchell: He hasn't apologized.

Mr. Speaker: Just a moment. The hon. member may well have another occasion to continue this debate, but just so that all hon. members understand it and so that the public that is watching understands it, the hon. parliamentary secretary made certain accusations on a question of privilege. I have found, on the basis of the absolute denial of those charges by the hon. member for Windsor—St. Clair, that there is no prima facie case to put to the House.

If the hon. member for Windsor—St. Clair wishes to debate this further at some other place, he of course can find his appropriate forum to do so. Perhaps he will want to discuss it at the committee.

The hon. parliamentary secretary has said that he accepts completely the word of the hon. member. He has accepted completely, as he has said, my ruling.

The hon. member for Windsor—St. Clair seems to indicate that what took place with these students is not as important as an argument that he may be having with the hon. parliamentary secretary. He can have the argument with the parliamentary secretary, but I have to tell you as your Speaker that I take very seriously these demonstrations in this place. Apart from anything else, I am in charge of the security of this entire place. While that has not been raised in the argument, I am intensely conscious of it.

The other thing I am intensely conscious of is this. It is all very well for members of the public these days to say that they have no respect for politicians. They may not have respect for some politicians, but if this country loses respect for this institution, I would like to know what it wants to substitute it with.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member may want to raise this matter in another way, but for now the matter is concluded. The motion stripped of the allegation against the hon. member—and properly stripped of the allegation against the hon. member—has now been accepted by the House. If the hon. member wants to raise it at another time of course we will hear him.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we have all listened to your thoughtful words and of course accept your decision, but I think there is something else that we have to deal with before we proceed. We are most anxious to examine the whole matter of demonstrations and what that does to the reputation of this House. That has been dealt with appropriately, Mr. Speaker, upon your recommendation.

I look now, through you, Mr. Speaker, to my hon. friend, the parliamentary secretary who made some very serious charges against the hon. member for Windsor—St. Clair. When you, Sir, indicated that you found no prima facie case of privilege, the parliamentary secretary said that he had no problem with your decision. Those were his words. He had no problem with your decision. I assume that that means he accepts the decision.

However, I appeal to my hon. friend in the best interest of this institution. In that a member's word is paramount and having made those very serious charges against my colleague, I would ask my friend, the parliamentary secretary, to stand now and do what would be expected of the hon. member.

Mr. Cooper: Mr. Speaker, I am in a bit of a difficult spot. I am in this spot simply—

Ms. Mitchell: You've got yourself into this.

Mr. Cooper: Perhaps members would hear me out and let me explain what I mean by being in a difficult spot. I have said very clearly that I do accept the Speaker's ruling. I think it is a wise ruling.

Second, I do accept the word of the hon. member for Windsor—St. Clair. Now I have a difficulty. I listened very carefully to the Speaker's ruling. I do not have the "blues" of that ruling so I am going from memory. The Speaker spoke of what prima facie evidence is. Prima facie evidence is evidence that is put forward which is believed to be true until circumstances prove it otherwise.

When I rose in the House, I rose on a case of privilege based on evidence which I believed to be prima facie. Since that time events have taken place that have been reflected in the Speaker's ruling which I accept totally and completely, including the words of the hon. member for Windsor—St. Clair. It is difficult for me to apologize for a statement I made in the House when I believed those statements to be true and then to deny them. That is the problem I have, and I cannot deny those statements that I made at the time.

Mr. Riis: Mr. Speaker, I do not want to prolong this matter. We have important work to get to, but I regret that my hon. friend has chosen this particular course of action. He knows now, upon reflection and the very learned decision you have brought to the Chamber, that his charges and accusations were false. He acknowledges that fact.

I certainly think that this would be an appropriate place for the hon. member to withdraw those remarks and apologize to my hon. colleague from Windsor—St. Clair, in the best interests of this institution. After all, we have to work together. We want to work together. However, when those charges still lie in the air in spite of your ruling, Mr. Speaker, I think it is most unfortunate for the future operations of this great institution.

Mr. McCurdy: Mr. Speaker, you chose to take my comparison between the behaviour of the students and the hon. member as if it were a defence of an abuse of the House of Commons. In reviewing the history of this whole terrible incident, this is not a singular departure from the pattern of this whole debate on an issue that was not raised by me but was raised by the hon. member opposite.

I put it to you, Sir, that even while I reject absolutely that anyone should come into this Chamber and abuse you, Sir, or this House, it seems to me that there is from your very own words a higher responsibility upon members elected to this place.

It is quite a different thing to have a rabble in the gallery and then have someone, who is in this House by virtue of what is supposed to be a respect for the integrity of this place, behave in ways that are unacceptable. I would put it to you, Sir, that an elected member in that member's seat should be held far more responsible than a rabble. It is because he brought unsubstantiated, self-created, gratuitous charges that I had to defend myself and then have it measured in terms of my word. The man stood in this House and lied—

Mr. Speaker: Now, just a moment. The hon. member has heard the judgment of the Chair which, as far as I am concerned, completely absolves the hon. member from any of the accusations, whatever they may have been, that were made. There can be no doubt about that. The hon. member and other hon. members have a chance to reflect on the exact wording of my judgment. The hon. parliamentary secretary has said he accepts that completely.

If the hon. member wishes to have the hon. parliamentary secretary say something more, there may be a procedure in which he can raise it, but the Chair cannot order the hon. parliamentary secretary to do more at the moment than he has done.

The parliamentary secretary has said that when he made those accusations, however unfounded they may have turned out to be, he did not do it dishonestly. The hon. member for Windsor—St. Clair now says that he lied. That is a very serious allegation and, if the hon. member for Windsor—St. Clair wants to pursue it, he will have to pursue it according to the rules and at another time.

The essence of this was that there was a demonstration, which in my view, prima facie, is a contempt of this House. It was an argument about who might have known about it and who might have prevented it. That argument, while of course serious, and especially serious to the hon. member for Windsor—St. Clair, and I understand that, is important and I am not diminishing the importance of it. I do not think the argument at the moment should take precedence over the fact that these kinds of demonstrations which some people in this country think are perfectly legitimate, are absolutely not legitimate. That is the fundamental point that has to be made.

• (1130)

Perhaps the hon. member and the parliamentary secretary would discuss their differences. If they wish to rise later on today I would be pleased to hear them. That might well be a more satisfactory solution than the hon. member for Windsor—St. Clair says has evolved so far. I fully understand the position of the hon. member for Windsor—St. Clair.

I would ask hon. members not to confuse the two issues. There is a paramount issue here and that is whether this place is going to be invaded by people, no matter how sincere their beliefs or otherwise who are going to act in contempt of it and disrupt it. I do not have to remind members who have a sense of history of what that did to a country that we now consider our friend and ally.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages, the government's response to 36 petitions.

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

[*Translation*]

PRIVILEGES AND ELECTIONS

EIGHTEENTH REPORT OF STANDING COMMITTEE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present the Eighteenth Report of the Standing Committee on Privileges and Elections concerning Private Members' Business.

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

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PETITIONS

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present to the House a petition signed by 25 Canadian citizens who wish to express their objections to the goods and services tax, especially as it applies to books and magazines.

Mr. Speaker, your petitioners maintain that free distribution of printed matter constitutes the cornerstone of our democracy, our culture and our educational system. Your petitioners claim that an educated and productive society will suffer as a result of this tax.

Your petitioners humbly pray and call upon Parliament to re-emphasize the underlying principles of exempting printed matter and to provide for such exemption in the GST bill and regulations.

Mr. Speaker, these people are right. The government should listen and realize that taxing publications means putting a tax on reading.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is my pleasure, pursuant to Standing Order 36, to present the first of a number of petitions that were signed by people at the Norfolk County Fair.

These petitioners are asking and calling upon this government to reject the goods and services tax.

This petition has been certified by the clerk of petitions.

Mr. Joe Fontana (London East): Mr. Speaker, it is my duty, pursuant to Standing Order 36, to present a petition to Parliament from hundreds of petitioners from across the country, including Montreal, Mississauga, and Ottawa, pleading with this government to reaffirm the historic principles embodied in the tax-free status of the printed word by retaining the zero rate in the GST legislation and regulations.

In other words, do not tax books and do not tax education, so that our young people can, in fact, learn to read and contribute to our society. Imposing the GST on books and reading material will not do that.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition, pursuant to Standing Order 36, on behalf of a number of constituents from Kamloops.

The petitioners point out that the government plans to tax religious reading materials, that is, periodicals and books of a religious nature. This would make Canada the only country in the world that taxes religious books. These petitioners are asking that the government stop taxing religious literature of all kinds, by repealing the goods and services tax.

Mr. Speaker, I have a more general petition, on another matter, again from petitioners from Kamloops, British Columbia, who are concerned in regard to the government's continued decision to go ahead with the goods and services tax.

The petitioners point out that with winter coming on, the additional tax on home heating fuels will add a serious burden to northerners, which means Canadians, generally, with the exception I suppose, of the greater Vancouver area. The fact that we all have to buy more heating fuel will mean more money being paid out through the GST and this is an unfair burden. These petitioners ask the government to simply drop the GST.

REQUEST FOR MINIMUM TAX

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise under Standing Order 36, to present a number of petitions regarding taxes.

The first petition is from workers in the area of Mission—Coquitlam who have found that the tax burden on average families is roughly $1,000 greater now than it was in 1984. They call on the government to establish a minimum tax on profitable corporations and to ensure that the burden of tax is more fairly spread among individual and corporate taxpayers.

POVERTY

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the other petitions concern women and seniors in poverty.

As you know, Mr. Speaker, 50 per cent of Canadian women who file tax returns have incomes of $10,000 or less, compared to only 23 per cent of Canadian men.

The petitioners, in this instance, call upon the government to provide and introduce a tax system that is simpler and fairer for average Canadians, particularly for those who are poor and particularly for senior women. Mr. Speaker, I have another petition with regard to seniors in poverty. Based on the fact that 60 per cent of women age 65 and older live below the poverty line, the petitioners call upon this government to introduce reforms to our public pension system which will ensure that all women, whether or not they are in the paid labour force, receive pensions which allow them to live with dignity and allow them to participate fully in society.

GOODS AND SERVICES TAX

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise, pursuant to Standing Order 36, with a petition from those who are very much opposed to the taxing of reading materials. Taxing reading materials causes a great problem for Canadian publishers who are in competition with others. We well know that that type of competition is not positive for Canada, nor is it positive for those who wish to receive printed material. It seems to me to be a burden which we have always tried to bring a tax-free relationship to.

In this case, the goods and services tax, I believe, will be very, very negative to education, to programs that we have in this country, and to the dissemination of information.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also want to rise under Standing Order 36 to present an important petition from quite a number of smaller towns in southern Ontario such as Brantford, Hamilton, Simcoe, Thorold, et cetera. These Canadian citizens state that the government must remove the goods and services tax. They say that we need an effective tax system with a minimum tax on wealthy individuals and corporations, and that we need broad consensus on a sales tax measure that would be effective to replace the manufacturers' sales tax but we do not need or do not want the goods and services tax. The petitioners call on the government to remove this plan for the goods and services tax and institute a progressive form of taxation.

• (1140)

Mr. Tom Wappel (Scarborough West): Mr. Speaker, it is my pleasure and duty to rise today to present two petitions certified correct as to form and content, both of which are signed by citizens living in the Ottawa area.

Both petitions deal with the goods and services tax. They zero in on a specific problem, and I use the word "zero" advisedly, because they zero in on the fact that books have never been taxed. They have always been taxed at what is called a zero rate for magazines, books and newspapers. Now under the proposed GST, for the first time, the government is proposing to tax these otherwise never before taxed items.

Therefore, these Canadian citizens ask Parliament to ensure that we respect the historic principle of never having taxed books, magazines and literature before and ensure that the GST legislation does not do so.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by several voters here in Ottawa who are opposed to the GST. These Canadians are particularly concerned about the government's proposal to apply this tax to printed matter and to books which are so important in a democratic society.

[*English*]

These petitioners, like so many others, are appalled at the government proceeding with this tax when so many millions of Canadians have indicated their opposition to it, and they have signed this petition joining those other Canadians.

AGRICULTURAL SUPPLY MANAGEMENT

Mr. Peter Milliken (Kingston and the Islands): The second petition is on another subject matter. It was signed by a number of electors in Kingston and the Islands, and in the surrounding area represented in this House by the hon. member for Hastings—Frontenac—Lennox and Addington. He is supporting a government which is proposing to sell out Canada's system for

distribution and provision for poultry and dairy farmers in this country.

This petition calls upon Parliament to instruct the Government of Canada to keep the Canadian supply management system intact and to protect it in its entirety at all costs in the current GATT negotiations and not to sell this country down the drain, as it has been doing for the last six years to the great detriment of Canadians in a way that has hurt our economy. It has sold out our country to our neighbours, which is a deliberate attempt to attack our supply management systems which have been so effective for the benefit of Canadian farmers.

These people have signed this petition hoping that the government will listen to their concerns and protect the Canadian farmers instead of selling them down the drain as they have been doing for the last six years.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 351 and 391.

[*Text*]

NORTHERN RESIDENTS DEDUCTIONS

Question No. 351—**Mr. Taylor:**

For the years 1989 and 1990, were there any follow-up enquiries regarding the Northern and Remote Tax Allowance in Saskatchewan and if so (a) what were the numbers (b) how many claims were reviewed (c) how many claims were adjusted?

Hon. Otto John Jelinek (Minister of National Revenue): a) The number of claims made regarding the Northern Residents Deduction by individuals residing in Saskatchewan on 1987, 1988 and 1989 income tax returns are as follows:

1987	1988	1989
14,393	13,375	13,016

b)c) Information on the number of claims reviewed and adjusted for residents of the Province of Saskatchewan is not readily available. For administrative purposes, this data is maintained in summary form which also includes data for the Provinces of Alberta and Manitoba.

Taxation year	1987	1988	1989
Claims reviewed:	7,679	5,083	0
Claims adjusted:	4,614	2,585	0

NORTHERN RESIDENTS DEDUCTIONS

Question No. 391—**Mr. Funk:**

In (a) 1988 (b) 1989 in Saskatchewan, were there any follow-up inquiries regarding the Northern and Remote Tax Allowance and, if so, what number?

Hon. Otto John Jelinek (Minister of National Revenue): a) b) Information on the number of claims reviewed and adjusted for residents of the Province of Saskatchewan is not readily available. For administrative purposes, this data is maintained in summary form which also includes data for the Provinces of Alberta and Manitoba.

Taxation year	1987	1988	1989
Claims reviewed:	7,679	5,083	0
Claims adjusted:	4,614	2,585	0

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[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call Starred Question No. 342.

Mr. Speaker, due to the length of this response, I ask that it be printed in *Hansard* as if read.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to accept the parliamentary secretary's suggestion?

Some hon. members: Agreed.

[*Text*]

SUPERMAILBOXES

*Question No. 342—**Mr. Saint-Julien:**

Has the Canada Post Corporation installed any supermailboxes more than 600 feet away from the customer who lives the furthest distance from the supermailbox in the area served and, if so (a) in which provinces (b) in which cities and towns (c) how much further away than the standard 600 feet are these supermailboxes located?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): In 1985, Canada Post Corporation developed and announced its delivery policy including the use of community mail boxes (super mailboxes) as the equipment and mode of delivery that would be used in situations that would previously have gone to door to door delivery. The distance between customers served by the community mailbox and the equipment was established at 600 feet or 180 meters. Generally, this practice has been implemented for the largest majority of the 600,000 customers who are on the service as of 1990/91.

There are, however, circumstances where the Corporation cannot stay within the criteria due to the layout of the subdivision or municipality. In these cases, if Canada Post stayed with the criteria it would result in the boxes being placed where they were in full frontal view of several homes on the same side of the street. In these circumstances Canada Post has moved the boxes to the ends of crescents or some distance away to a place where it could find a piece of property that would accommodate the box on easement without imposing on the homeowners adjacent to the equipment. There have been other circumstance where Canada Post has been petitioned by customers to move the boxes to another location and who agreed that they didn't mind walking the extra distance.

In other circumstances Canada Post has taken the initiative and surveyed its customers. In still other circumstances municipalities have asked the Corporation to place the boxes in certain situations which exceeded the 600 foot criteria and Canada Post has solicited and received the support of the customers involved. In urban centers where the Corporation has put such exceptions into service, generally, the customers don't have to walk any more than an additional 300 feet to their community mailbox. In all cases, the Corporation has entered into discussions with the municipal representatives of those serviced by the community mailboxes.

Where Canada Post has placed community mailboxes in cluster sites in suburban and rural settings, in most cases, a portion of the customers reside more than 600 feet from the equipment and therefore have to travel greater distance.

These exceptions have occurred in a number of cities and towns from coast to coast, in most provinces. Canada Post has endeavored to consistently apply the criteria. However, the Corporation has had to remain flexible in situations where it served the municipality, its customers or its approach to installation in a more practical fashion than sticking rigidly to the standard.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 30, consideration of the motion of Mr. Loiselle that Bill C–83, an act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the second time and referred to a legislative committee.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I listened attentively as the minister presented his bill for second reading and then I read over many of his documents and his speech again to be convinced, if I could, on behalf of all Canadians that the initiative was a good one. I must confess that, upon such reflection, I remain as unconvinced as earlier regarding both the intent of Bill C–83, whom it shall benefit, as well as how it should benefit those and the objectives. In fact there are more questions that remain unanswered than those that are answered with this bill.

For example, for whom is this bill designed? Who is going to benefit? Is it going to be the customers through an equality of service, availability of service, accessibility of service, consistency and variety of service, security of deposits, or security of services? None of these questions are addressed.

Are we, in fact, designing Bill C–83 to assist depositors and investors, the clients? Are deposits going to be guaranteed, not only by the law under regulations, but by

the practices of the financial sector? In fact, are we going to provide the appropriate protection against excessive leveraging that will occur as a result of cross-pillar affairs?

Are there going to be the appropriate defences against self-dealing, for example, investment decisions based on what is required by a partner or an affiliate in what currently would be another pillar or segment of the investment market?

The minister, in fairness, has given us all kinds of assurances. But those assurances last not a whit longer than the failure to put into the legislation a monitoring and an enforcement mechanism that would ensure that the claims of the minister are actually going to be carried out. Prior to this legislation, regulation was sometimes seen to be difficult when the four pillars of the investment industry were regulated on an individual basis. We would have some sense of certainty about both security of investments for depositors, the type of investments that were going to be engaged in, and, as well, the question of competition in each compartment of the financial sectors. Those kinds of rather weak defences are even blurred further.

The third question one might ask is: are we putting into effect Bill C-83 because we want to enhance the viability and competitiveness of the financial organizations? Does Bill C-83, in fact, make them more competitive? Does it provide an opportunity for each of the 3,000 such financial organizations in the country to emerge as a much more viable, competitive, aggressive institution, available for the service growth of consumers and investors?

I am not sure it is there, Mr. Speaker. There has been much to do and much said in debate about enlarging the abilities of all elements of the financial sector to address the marketplace of today, on both a global and domestic scale.

But that ignores the fact that in 1981 the Royal Bank of Canada, which is the largest of Canadian banks, ranked 16th in the world in terms of its import and size. Today, a mere nine years later, it is reduced down to 57th place. With the kind of resources available to the Royal Bank a mere nine years ago, what has changed? I have not heard an answer from the minister or from debaters in the House. What has changed to diminish the ability of the Royal Bank to compete when it already assumed a position of pre-eminence on the world market?

Mr. Sobeski: How many U.S. banks are in the top 10?

Mr. Volpe: We'll get down to that in a minute.

Are we trying to enhance the abilities of services offered by the banking institutions, by the trust companies, insurance and loan companies, and by the securities industries? Through their parliamentarians, Canadians are asking if, through this bill, we are making domestic interests subservient to international interests, those that the minister says are absolutely dominant with respect to the investment industry in Canada.

• (1150)

I caution all members to consider what happens when there is cross fertilization and when there is a merging of sectors of a particular industry. There is consolidation and rationalization and a new structure for priorities planning that immediately falls into place. The end result invariably, if we take a look at the trends over the course of the last six years, is that there is a cut in jobs. There are fewer employment opportunities for people in the sector. What does that do for us?

If we do not look at the consequences with respect to employment opportunities for Canadians, or the kinds of enhancement of the investment in financial sectors that we hope for, obviously they must give us the immediate benefit that we would require if we are going to be defending the interests of all Canadians.

As well, in looking at Bill C-83 we see the business about competition between foreign banks and lending institutions that are not governed by Canadian legislation operating in a Canadian market. The Canadian competitors are competing on a domestic basis, one with the other. They are at a legislative disadvantage because Bill C-83 does not address that.

In short, the last question is a generic question that Canadians ask themselves. Is Bill C-83 and the reorganization of financial institutions going to impact positively and seriously on Canadian economic interests? One can say that the presence of international institutions in Canada would enhance our opportunities for exposure or trade in the international marketplace. That would be

all well and good, provided that we could see some of those results today.

I do not need to point out that our balance of trade has been steadily declining. While it is true that we can get more foreign investors into the country, it is not always certain that the profits of that investment stay in the country.

There are some problems that need to be addressed with Bill C–83. I hope that these problems will be addressed diligently and thoroughly in committee. The Canadian public wants to know exactly the direction in which we are going.

One of the items that needs to be addressed, for example, despite political philosophy, is the question of concentration of wealth and economic control in the country. It is a serious problem. We have noted, and the minister has acknowledged in the House, the 3,000 financial institutions which he says have an asset base of some $900 billion. A mere 25 of those 3,000 control some 84 per cent of all those assets. That is $760 billion. That kind of concentration of economic and investment control cannot help Canadians. It cannot possibly be working to the advantage of all Canadians, both at the consumer level and the investment level.

Let us take that one step further. Aside from having this $900 billion asset base concentrated in the hands of some 25 companies, we note as well the assets of banking institutions in Canada relative to the GNP have jumped some 50 per cent over the last three decades. For example, in the middle of the 1980s the banking institutions had effectively 90 per cent of assets relative to GNP. In the 1970s, that ratio was only at 60 per cent. In the early 1960s, it was only at 41 per cent. We can see a trend that is only going to be accelerated further by a bill such as Bill C–83, unless the appropriate safeguards are put in place.

The concentration that is coming from within the industry is not going to assist the little guy, so to speak. It is not going to do a heck of a lot of good for the balance of those 3,000 financial institutions that operate in the domestic market. In fact, it is admitted by the minister, as well as critics and observers—those who are for the bill and those who speak vehemently against it—that, as a result of Bill C–83, we are likely to see situations that result directly from the proposed financial restructuring. Banks will buy into insurance companies. Trust companies will evolve into full–fledged banks. Insurance companies will expand into trust company activities and, possibly, domestic banks will also buy into trust companies. Everybody has acknowledged this, but not everybody sees an inherent danger.

We are slowly eroding the possibility of the small banking institution, the private and small entrepreneur, from not only conducting a worth–while enterprise but from flourishing and developing. In fact, one of the things we ought to appreciate in the course of the debate is that the federally chartered banks are already by far the major sources of Canadian financial capital. These banks, as a result of Bill C–83, could eventually expand their domination through diversification within the Canadian financial sector.

The likelihood of Canadian domestic banks buying into insurance companies is reinforced by the experience that we have seen elsewhere, most particularly in Europe. There, they acquire insurance companies because, quite frankly, they want to pool the information data about clients. They want to expand their product range and protect themselves against hostile bids. But, in all cases, all of this is going to the detriment of and at the expense of bank deposits and depositors.

We are not addressing the question of concentration of financial and economic clout as a result of Bill C–83. This raises a series of doubts. I see some of the members who have participated in the debate so far and who have spoken very fervently about some of these doubts. In fact, the discussion should be about whether we are focusing on the right international market, whether or not we are talking about the appropriate assumptions for restructuring that will make us more competitive internationally, and whether or not we are focusing on an international market correctly.

The so–called Chinese walls have existed, in the opinion of some, essentially to limit the potential of the economies of scale. The removal of these Chinese walls would allow the conglomerates that emerge—because they are going to be conglomerates that emerge—to continue to benefit from an increased market with better power and greater risk and diversification.

Again, in the opinion of some—for example, Guy Glorieux, the Director of Financial Services Research Program of the Conference Board of Canada—this could prove to be a decisive factor in strengthening the competitive positions over time, with the focus on over time. There is an element of expectation, hope and optimism in that. But, it would be of great interest to those involved in financial sectors to note that there is a counter position. It states that perhaps the international environment is not, in fact, truly market driven, and there should be concern for the restructuring for the wrong reasons. One estimate, in fact, points to only 20 per cent of foreign exchange related transactions linked to any real exchange of goods or services. The balance of 80 per cent relates to speculation and arbitration.

Under those circumstances, we should be very concerned about the belief that deregulation of financial markets will enhance the efficiency in the real economy, because these appear to be based more on pointing to the fact that others are doing the same thing, than on hard facts or demonstrable evidence, both of which may be lacking.

The international environment is vulnerable and, in the opinion of many, dangerously unstable. That condition has forced the IMF in a report dated 1989 to state that "the speed with which the disturbance has spread and the breakdown of geographic and functional barriers that potentially insulates markets are now leading to supervisory authorities in a number of countries to reassess the adequacy of prudential arrangements, both nationally and internationally."

• (1200)

In fact, one example of reassessment and re-evaluation of the direction for the financial industry is the risk involved in international environment. It is to be seen in the international security's business.

America's Citicorp spent, as an example, $1 billion building up its world-wide equity trading operation. Yet earlier this year it closed down the last part of this operation.

Another example: Normura Securities, Shearson Lehaman Hutton and Merrill Lynch all have scaled back their world-wide equities operations and that is as of this year.

What are we doing? With this bill, we are essentially acknowledging that we should be entering into a sphere that others are in rather warily. In my view, it is inappropriate to think in terms of an American market when we are talking, or at least giving an argumentation for the validity of a bill in an international scene.

In fact, more than one-third of Royal Bank's total loans are to American borrowers. One-quarter for the Bank of Montreal's total loans are again to American borrowers. So the propensity of Canadian lending institutions to be involved in an American market is there by virtue of the tradition of their business.

The international competition is a focus of the Canadian financial institutions and is more likely to be directed toward the United States, and not to Europe or Japan—that is to say the international scope—particularly given the Canadian banks' reluctance to invest in and a lack of activity in Europe over the last several years.

The financial restructuring that we are trying to accomplish with Bill C-83 is going to be more sensitive to the events that develop in the United States than on the international scene. The irony of all of this, Mr. Speaker, is that while we are moving into deregulation at a very quick pace, we are doing so at a pace that is much more accelerated than the one in the United States.

The present laws in the United States, as you will know, and other members as well, do apply to foreign financial institutions operating in the United States. The current laws are that banks cannot own securities firms and banks cannot own more than 10 per cent of commercial businesses, even though, of course, those banks are working their way around both of those regulations. The fact of the matter is that the regulations still do exist.

Canadian institutions wanting to operate in the United States are governed by such legislation. The irony here is that while we are taking the risk of initiating financial reforms to expand into the United States, it is not going to produce great fruit for us in the short run.

The financial changes to the institutions that we are proposing are going to make this market much more ripe for American involvement. The concern about the problem that the securities industry is having in competing in

the United States is due to the fact that Canadian banks now own the major Canadian securities firms.

The vulnerability that I mentioned earlier is further enhanced by the understanding that Canadian reliance on foreign market borrowing, which was $24 billion in 1986 in American dollars, is relatively higher than all other major industrialized countries.

For example, ours stood at 4 per cent of GDP, as compared to 3 per cent in the United States and even less for others. Canadian issuers raised about $25 billion in Euro markets between 1987 and 1989, double that raised in the United States during the same period. But there is a recent shift to the United States as a result of the FTA and widening of the interest rates.

We have a serious problem in terms of the context in which we are creating legislation that we hope will take us into global competition, but which in fact is drawing us further and further into the American marketplace. The long term implications for the implementation of a universal banking strategy do cause some great concerns with respect not only to our position *vis-à-vis* the United States and other nations in the global market, but also with respect to who in this country is going to take the lead in terms of financial restructure. We have seen some initiatives by provinces like Ontario and Quebec that call into question the whole business of federal-provincial relations and federal jurisdiction.

The European examples where we have bank ownership of industries might be common in many countries such as Germany, but there is a significant cultural and historical factor which is not accepted and is not verified here in Canada. I know the clock cannot be turned back but I do not think that we should act precipitously in this regard. What we want to do with Bill C-83 is ensure that it receives the appropriate study and the appropriate public scrutiny required in order to safeguard the interests of Canadians, that is depositors and investors.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened with interest to my hon. colleague's comments. I must say that I share a number of the concerns that he has raised. I would like to add for myself, on behalf of the New Democratic Party, some of our concerns and then make some specific references to the legislation before us this morning.

Let me begin by saying that when Bill C-83 is discussed, and we are talking primarily about the trust and loan companies act, it must be seen in the context of deregulation of all financial institutions. After all, this is simply one of the packages that will be considered by the Parliament of Canada as the government moves into deregulating the financial institutions of the country.

There is a certain ring to that word, deregulation. The ring it usually implies is getting rid of red tape, laws, regulations, guidelines and so on. It is more of a turning over to the free market the whole matter of financial institutions and their operations. The implication is that that will encourage competition between financial institutions and the banks will get into the trust business and the savings organizations will get into some of the banking functions and some of the investment operations, insurance companies and brokerage activities. This sounds as though additional competition will mean a decrease, if you like, in the charges and the premiums paid, and a better deal for consumers generally. That is the theory.

Let us look at the theory in a double context, the first being the airline industry. Those were the same arguments presented to us with the deregulation of the airline industry and, as a matter of fact, the entire transportation sector. When the government brought in this initiative, first started by the Liberals, I believe, and then with the end of their administration and the beginning of the Conservative government, deregulation of the entire transportation sector began. The argument is that we were the same and this would result in benefits to the consumer, increased and improved services and benefits of all kinds. Costs would also come down and the consumers would benefit. Woefully, that has not occurred. As a matter of fact, the opposite is unfolding. We are seeing a concentration of power and a concentration of influence in the transportation sector.

We had a number of airlines, such as Pacific Western, Wardair, Canadian, Air Canada and a whole collection of regional carriers. Now, in the airline industry, we are down primarily to Canadian and Air Canada. I suspect if one reads all of the air transportation literature, almost everyone is agreeing that this will continue and eventually we will have one airline in the country. It need not be Air Canada or Canadian. It might be Delta or United

Airlines that will have taken over the existing Canadian structure.

In places like Kamloops, that I have the honour to represent in the House of Commons, we were told that there would be all kinds of additional services.

• (1210)

If we felt we had good service with Pacific Western providing that service, just wait until deregulation. Then we will have all sorts of additional services.

We have now what we call riding on a lawn dart, these little tiny airplanes, where the pilot gets in and welcomes you on board, Mr. Speaker. You sit in there and you bump your way over the Rockies to Calgary. This is improvement over the jet service we used to have to Calgary.

We had a whole set of times that we could choose in the old days. Now, Mr. Speaker, you have to really plan your itinerary to get to Kamloops in a day. In other words, the service is worse.

We were told that the price would come down, that additional competition results in price savings for the consumer. For a few weeks, it actually occurred. You actually had a good deal in terms of air transportation.

Now, to fly from Kamloops to Calgary and return is not much more than flying Kamloops to London, England and return. People say: "Maybe we should do our Christmas shopping in Europe." The whole promise that was held out to the consumers has just evaporated. That whole matter of the people of Canada benefiting obviously from deregulation in the transportation sector, of course as we know, has just been appalling.

I could talk about rail transportation. Of course, whole communities have simply been abandoned in terms of the traditional service by rail. I think we all recognize now that it was a serious mistake. I think at least some of the government is acknowledging that fact. Not everybody. That is the transportation industry.

When we talk about deregulation and look at transportation as an example of what deregulation does for the people of Canada, we see it does virtually nothing. As a matter of fact, it makes things worse. Some people benefit. The large players in the transportation field, particularly the multinationals, will benefit.

The American trucking lines have benefited. My guess is in the future the American airlines will benefit by the open skies policy of having access to Canada, and on and on. In other words, there are beneficiaries, and they tend to be the very largest players in that particular sector.

Let us look at another example, what deregulation may do. We do not have to look very far. We can look down to the S and Ls in the United States, savings and loans, where the American government and the Reagan administration as part of the Reaganomics decided for perhaps not even questionable reasons to apply to the country to deregulate its financial institutions.

The S and Ls are an absolute disaster. People have lost their entire savings, and they are just going down like flies, one after the other. I do not think I have to explain to the members of the House who read even marginally in the area of finance that the S and Ls in the United States have been an absolute and total disaster for the people involved.

Some people have made fortunes. They make their fortunes and then get out before the savings and loans institution collapses. The average person, the ordinary American citizen, who puts his or her life savings into those institutions loses virtually everything.

Maybe we do not even have to look further in our own country to recognize that we are under pressure these days. We have seen a number of trust companies fold. We saw the total disaster of the banks folding in western Canada and the losses that accrued there to so many people and the bail-out, of course, that certain sectors received in terms of the depositors.

We have to see that while we discuss Bill C-83. Bill C-83 was first introduced in the House in September by the Minister of State for Finance. At that time, he provided us with the purpose of the bill. That is the point, at first reading.

I want to read this into the record because I am convinced without any doubt at all that eventually the government will pass Bill C-83. It will deregulate the industry. It will fold up the four pillars on which the Canadian financial community has been built.

I would like to say with some pride that Canada has been recognized around the world as having sound

financial institutions that are reasonably well regulated. It is a system that is the envy of many countries.

Now the government is in this sort of pell-mell ideological move to dismantle the four strong pillars of our system to make it easier for them to operate. We have to recognize that when we say "them", we mean the large players. Surely we will see the erosion of the small financial players that are in the system now and a welcoming of foreign players into Canada more than we have now to take over, using their financial muscle to displace Canadian firms in the financial institution market.

I think that is unfair. It is unfortunate. I know from going around and talking to some of the small insurance operations in Kamloops that they just shake their heads in disbelief that this government would be so callous in abandoning their efforts over the years to build up small, regionally or in some cases community sensitive insurance operations, to turn over in a sense now the operation to large financial multinationals, probably banks or trust companies, to get into the insurance area. I just use that as an example of where we are moving.

The minister back in September had this to say about the purpose of the bill. It was to consolidate the current trust and loan companies acts and to revise extensively the way in which federally incorporated trust and loan companies are regulated. That is laudable. The Trust Companies Act and the Loan Companies Act were enacted in 1914 and that Bill C-83 was the first attempt to modernize them. Because of the essential similarity of trust and loan companies, at least in that area of their business, their financial intermediary activities, Bill C-83 consolidates them.

We have been in favour of this updating of the legislation for years. I remember 10 years ago making a case to the Minister of Finance at that time, saying that it was time we brought this legislation up to speed. After all, the world has changed so much since 1914, particularly in the area of financial institutions, but for years and years the government dragged its feet.

One of the reasons I think it dragged its feet was because of the heavy lobbying that it received by some of the larger institutions saying: "We want to deregulate. We want to expand our operations". If I remember, the banks wanted to get into car leasing operations. They want to just get their tentacles out, as widely spread as possible. This was going against a lot of the ideas that the government had at that time.

Mr. Rodriguez: That is what they want.

Mr. Sobeski: The banks didn't get into car leasing yet.

Mr. Rodriguez: They got other things.

Mr. Riis: Mr. Speaker, my friend across the way said: "The banks didn't get into leasing yet". You wait; it is a bit like Sunday shopping, Mr. Speaker. They just keep grinding away until eventually they wear them down and Sunday shopping becomes a reality.

Eventually the banks will be into the leasing operation, Mr. Speaker; just wait and see. It might take a year or two. After all, we have not started the revisions to the Bank Act yet. They will be coming shortly as part of the comprehensive package. Then we will see.

Mr. Rodriguez: Twenty tonnes and over they lease.

Mr. Riis: That is right. After all, right now they are into partial leasing, 20 tonnes and over.

Mr. Rodriguez: So it is coming down.

Mr. Riis: It is coming down. It will get down to 19 tonnes, 18 tonnes, and eventually down to the Toyotas and so on.

Let me move on with some of this important information. Another purpose of the bill as articulated was: "In the role of financial institutions, trust and loan companies are virtually indistinguishable". I think we appreciate that. It is obvious that when we study these two institutions and the way they have evolved into modern times, they in fact are indistinguishable.

They both operate in the retail deposit and lending markets by raising the bulk of their funds through customer deposits or through the sale of various debt instruments to the public and investing in residential mortgages. We have had some concerns about this point. I know my hon. friend has indicated time and time again that while these two types of firms are indistinguishable now, the question is: Ought they be? What does this mean in terms of their movement into the deposit taking market as they compete with the other financial institutions?

Again, because of the lack of any updated legislation, little has been done even in terms of talking about this publicly. I must say that the may difference between the trust and loan companies is that the former, in addition to their financial intermediary role, act as administrators of estates and trusts and as agents on behalf of customers in the management of their financial affairs. The estate, trust and agency business of trust companies however being a matter of property and civil rights is regulated by the provinces.

Bill C-83 is the first of a series of proposed statutes designed to reform the regulation of federally incorporated financial institutions. Perhaps it is worth making a note here, as this debate begins on this most important piece of legislation, that the regulation of financial institutions is a shared federal-provincial responsibility in the country. The federal government has exclusive jurisdiction over banks, while the provinces have exclusive jurisdiction to regulate security firms. Trust, mortgage, loan and insurance companies are regulated by both provincial and federal regulators.

• (1220)

It has been somewhat embarrassing to the government. While it has been dilly-dallying and not proceeding to deal with the changing world of financial institutions, its provincial counterparts have in fact been moving. Some of them, particularly the province of Quebec, have moved very expeditiously to loosen up the four pillars, in a sense undermining any leadership the federal government might have provided, because they have waited so long. Now it is really a catch-up business to bring federal regulators, federal legislation and so on up to speed with what has already happened in many of the provinces.

There are a number of purposes in Bill C-83. One is to benefit consumers by increasing competition and the variety of services offered by financial institutions. I think we have an obvious mixed purpose here benefiting consumers by increased competition. It is fair to say that in reality, when we look at how this has been operating in the United States and in other sectors, this increased competition just does not occur. It will occur momentarily, perhaps for a short period of time in certain sectors of the financial community, but by and large the large operators, particularly those that are multinationally based, will eventually take precedence.

The variety of services offered will be a reality. Now trust and loan companies will be able to offer more services. Banks will offer more services. Brokerage houses will be offering more services. Insurance companies will broaden their base. Indeed there will be a broadening of services.

However, this raises a whole set of other concerns. Mr. Speaker, you probably remember the debates and the discussions when this was first being studied by the finance committee some years ago, the whole matter of arm's length operations and the need to have almost increased regulation when the various pillars are allowed to diversify their operations. After all, it is going to be very tempting to a bank operation to sort of be a one-stop shopping centre and, rather than encourage competition, to lay out a whole package—the mortgage, the insurance, and so on down the line—all in this one set of offices along a corridor.

Whether that increases competition is open to some question. As a matter of fact, if one were to be cynical I suppose one could even make the case that that would allow for manipulation against competition to take advantage of the naive customer or the customer who fails to understand the complexities of the financial community. However, we will wait and see and discuss more of this in committee.

This will also enhance protection for depositors and policy holders. The whole matter of policy holders is open to some question now in terms of protection for policy holders, but we will be raising this matter in committee in terms of some of the concerns we have and how this can be regulated to provide that additional protection.

The legislation will strengthen the ability of Canadian financial institutions to compete at home and abroad. It will lay the groundwork for discussion with the provinces on harmonization. Of course this harmonization aspect has to occur. I indicated earlier that the provinces got a bit of a jump on the federal government in this case by moving to take advantage, I suppose from their perspective, of changing financial times and by looking around the world. It is a bit embarrassing now for the federal government to be playing catch-up ball in this aspect, but obviously harmonization has to be a goal.

Mr. Speaker, you signal that my speech is coming to an end unfortunately, as there is so much more to say.

Mr. Rodriguez: Tell us about the American banks coming in.

Mr. Riis: In the last moments I have, I will mention the involvement of United States banks in Canada and the old Schedule IIs that we welcomed some time back with very strict regulations. The understanding was that as a quid pro quo for our banks operating in their country and part of the changes going on, we would allow American banks to come into Canada and play a certain role in the banking business. That is all gone now. It is in a sense holus-bolus. The landscape is open to American financial institutions, and the American banking institutions in Canada will become more of a reality than ever. That is one thing.

I could talk about the capital structure, particularly those reflected in clauses 62 to 138. I think that is important. Of course other speakers will be referring to it. The whole matter of corporate governance is something we have spent a lot of time discussing. We have to spend a lot of time establishing the roles of governing the composition and the election of the board of directors as set out in terms of its rights and responsibilities.

There is ownership; the matter of self-dealing, which I referred to rather implicitly earlier; the use of cease and desist orders; and assuming control of the institution. Basically I can just summarize by saying that the 1986 blue paper announced that a financial institutions restructuring program was to be launched. This provision allowed that where a regulated financial institution was threatened with insolvency, the government would have the authority to vest all the capital of the institution with the CDIC. In such case, CDIC would have full powers to manage the affairs of the institution and to effect a merger or sale of assets if deemed appropriate.

Naturally, in conclusion, that whole area was a major concern to us in the New Democratic Party and continues to be, I might add. It is something that we would want to pursue once the matter moves to committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I enjoyed listening to the speech of the hon. member for Kamloops. I know that he is one of the principal spokesmen on many issues and knows quite a lot about the Bank Act and the structure of banking and finance in Canada. That was obvious from his remarks.

One of the things I did not hear in his speech, which I expected to hear, was an enunciation of NDP policy on the nationalization of banks. I understand this has been a cornerstone of NDP policies since the thirties. I had hoped he would illumine the House on his party's current position in respect of the banks.

I am surprised that he talks of this legislation in reasonably favourable terms when I understood—and perhaps I am mistaken—that the aim of the NDP was not to regulate. It was to take over Canada's banks and run them as instruments of the state.

I did not hear that today. Perhaps, like their policy on the Senate, they have had a change of heart. If that is so, I wonder if the hon. member could illumine the House, tell us the latest policy resolution in respect of nationalization of banks, and tell us if it has been excised from the NDP policy manual. Perhaps he was there, if it was so excised, at the convention where this happened and he could tell us a little about the reasoning for the change in position.

I would be most interested in hearing his views on this very important subject and perhaps in comment he could tell the House that.

Mr. Riis: Mr. Speaker, I thank my hon. friend from Kingston and the Islands. I was hoping that someone would ask that question, because it opens up a whole set of areas that I think need to be articulated, particularly in times of the increasing recessionary conditions in which we find ourselves. Let me begin by saying that when it comes to banking I want first of all to refer to the operation and provincial jurisdiction.

As my hon. friend knows, within provincial jurisdictions a number of provinces have already taken initiatives to structure their own financial institutions. This enables them to direct a certain amount of economic policy through these institutions. The province of Quebec, for example, probably has done this most effectively using an arm's length relationship; but also provinces such as Ontario and Alberta are examples where that has been used relatively effectively and we like to think an awful lot more as an arm of government policy.

I also want to take this opportunity to say something about the Federal Business Development Bank. This was

a bank structured to assist primarily small businesses which would have a difficult time obtaining loans from the traditional lending institutions. I must say that I am most discouraged by this particular initiative. The mandate of the Federal Business Development Bank has changed. I think all members of Parliament who operate with the Federal Business Development Bank in an effort to help small businesses particularly, know now that its mandate has been changed so that it has now become, perhaps, one of the most conservative banks in Canada. The bank has been instructed to make money, to make a profit, and to take no risks. Consequently, I think we all know of instances where collateral of 400 per cent or 500 per cent of the value of the loan is required.

• (1230)

If there is a bank of last resort, it is not the Federal Business Development Bank; it is probably the bank of first resort. If you really do not need any money, the Federal Business Development Bank is more than interested in working with you. If you need money, it is probably one of the last places to go, with some exceptions. I want to say that there are some branches that, in their own way, are able to use the existing policy and still assist some small businesses. I do not want to cast it aside totally, but I do wish the federal government would revise the mandate of the Federal Business Development Bank, particularly at this very critical economic time.

My hon. friend also asks about the whole matter of nationalization of banks. I think that the policy of our party has been to recognize that effective regulation of banking is preferable to nationalizing. Effective regulation recognizes that all of the banks operate on charters that the Bank Act and the charters come through the Parliament of Canada and that the Parliament of Canada is the place to introduce appropriate regulation of banking as well as other aspects of the financial world. I want to say to my hon. friend that rather than simple nationalization, other countries have proven without question that adequate and structured regulation is preferable and that adequate and structured regulation is all that is actually required to direct banking policy in the best interest of what the government policy of the day happens to be. I hope that helps my hon. friend because it is an interesting question and one which comes up frequently. I hope my response has clarified this, not only in the mind of my hon. friend but in the minds of others as well.

Let me not miss this opportunity to say something about the central bank. The Bank of Canada is, of course, the national bank, owned by the people of Canada. I would say that it is now being used against the people of Canada and that the fundamental policy of the central bank is wrong. I think and, with some exceptions, even my hon. friends who sit on the Conservative benches would have to acknowledge that with a now stabilizing inflation rate, knowing where we are in terms of the economy and the direction in which it is moving, and anticipating the likely introduction of the goods and services tax as of January 1, to continue on with our bank policy of high interest rates and high dollar is tantamount to disaster. I believe that if my friends opposite would reflect their personal views, they would have to agree with that.

Let us not lose sight of the fact that if we had a different government, and a different governor with a different set of priorities in terms of fiscal and monetary policy and part of it channelled through the policies of the central bank, that conditions in this country would be somewhat different, perhaps even spectacularly different. I say, let us not lose this opportunity to reflect on that very important instrument.

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, I have a supplementary question. I must admit, right away, that I have not been following the changes in NDP policies very carefully. Since the hon. member for Kingston and the Islands has underlined the fact that there seems to have been a change in the NDP policy on nationalizing banks, and if I understood the hon. House leader of the NDP correctly, he acknowledged that, yes, the position of the NDP has changed. Perhaps he could let this House know when, exactly, the NDP made that change.

Mr. Riis: One of the strengths of the New Democratic Party is that we do have policies—agriculture, rural Canada, fishing industry, soil conservation, social policy, housing policy. We actually have policies, unlike the Conservatives whose policies are very liquid and the Liberals, well, they just play it day by day, depending on how the wind is blowing. That is their policy. That is one approach. I do not think it is a good one. The Tories have

another one which is mysterious, but we are honest, Mr. Speaker. We are forthright, upfront and open.

I do not recall exactly—I do not memorize these dates—but as times change, the policies change and so our policy on banking is to use regulations provided by the House of Commons, the duly elected government of the country, to regulate the banks to serve Canadians. That is where I think our thinking as a political party would be somewhat different than my friends in the Liberal Party and my friends in the Conservative Party. Where their priorities are legislation to serve the banks, we would have legislation and regulation to serve the people of Canada.

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure to rise today to speak on Bill C-83 and to listen to the exciting debate which has been ongoing. I must say that it was delightful to hear the NDP adopting a policy that has been in existence with the Liberal Party for a great many years. As they try to move closer to our position on policy matters, it is interesting to watch them turn themselves inside out in the process. I think the last speaker clearly was inside out.

I would say, as well, Mr. Speaker, that we are supportive of the bill being sent for consideration and clause-by-clause study. We also are very cognizant of the necessity for witnesses to come forward and give us their opinion on the four pillars of financial institutions.

This legislation has been long overdue. It has been legislation that has supposedly been coming for the last five years and quite frankly on a preliminary assessment, subject to comments from others, we seem to be getting 1980s legislation to deal with the circumstances of the world in the year 2000. We think that the legislation, while nice, deserves a little more attention, a closer examination and a lot more work either by the finance committee or some other legislative committee.

The Liberal Party has concerns about the bill. We recognize that we are in a global economy and that it is necessary for our financial institutions to be responsive to the global economy and to be in that marketplace. We also recognize that a proper balance has to be established so that the Canadian consumers can be protected.

Does this bill do all of those very important things? It is going to take the advice of the different financial institutions and consumer groups to give us the proper instruction, but our concerns are that the legislation, as it is presently drafted, does not go far enough in certain areas.

We in the Liberal Party have been consulting with a number of people in order to get the proper advice. I know the member for London East has been most diligent in liaising with insurance companies in his riding. He has a close association with them and has been getting their advice. I know that my colleague, the critic for financial institutions has, as well, been meeting with a number of banking institutions, trust companies and the Superintendent, to get the background with respect to this legislation. We are very anxious to see it brought before the committee.

Quite frankly, we are concerned with the rumours we hear, that the House is going to prorogue, and this is going to result in another delay. We are also concerned about the fact that the legislation was brought in piecemeal. Everyone acknowledges that there are four pillars to this area. What seems to be happening is that the government is bringing in one piece of legislation now and another piece a little later and another piece after that. That is not the right approach. Rather than ending up with four pillars, we may end up with a milking stool before we are done. We are very concerned about that. The government's commitment not to enact legislation until all pieces have been placed before the House is not sufficient. We have to be absolutely sure that the different pieces of legislation work. If they do not, then the results could be very disastrous to the financial community and to consumers in general.

• (1240)

We have to acknowledge as well that in the global world, financial services are offered in the marketplace 24 hours a day, seven days a week. Our institutions have been steadily losing their market share. The share of Canadian banks and security firms as managers of issues in the Eurobond market, for instance, has declined from a high of 6 per cent in 1976 to a low of 2 per cent in 1988.

In the management of international loans, their over-all share has dropped from 8 per cent in 1983 to 3 per cent in 1988. These very substantial drops are a clear indication that something is not working properly.

I had the fortune or the misfortune, depending on your perspective, of working for one of the chartered banks back in the sixties. The Royal Bank at that time was one of the leading banks in the world. I believe it was fifth or sixth on the list. Now it does not even make the top 50. Thus we see there is a very sharp decline in how our financial institutions are competing globally. We have to do something to deal with that situation.

Mr. Sobeski: How many U.S. banks in the top 10?

Mr. Rideout: It does not make any difference. We had Canadian banks in the top 10 for years. With this government's mismanagement, they do not even make the top 50. We must talk about the problems that we will be facing.

This government has put forward the free trade legislation and in effect, invited into Canada the American Express organization and made a deal with them, signed, sealed and delivered on election day. We now have American banks in our marketplace. Their subsidiaries are competing with our banks and providing different types of services that our banks are presently excluded from providing. Again, we have kowtowed to the American financial institutions and put our financial institutions in jeopardy. Now we face a situation where we will slip even further behind in the global situation because of the American Express decision. It has changed the playing field to the detriment of our institutions.

As well, we are facing a situation in which 1992 is coming. It used to be when 1984 was going to happen, but now it is 1992 and the European situation. There is going to be an integrated financial situation unless another Conservative has her way. Margaret Thatcher is trying to tilt at windmills and those sorts of things. If her type of attitude prevails, it may not take place. The European Common Market will have a strong central banking institution. If we are going to compete in that area, then we will have to make concessions. If we are going to gain in the European market, then we will have to extend similar treatment to the European and Japanese banks.

We have to make sure that our financial institutions are strong viable and able to compete in the world market. Coupled with all of these problems is the fact that the provinces are now moving into the vacuum that has been left by the lack of federal legislation over the last number of years. There is new legislation in Ontario, Quebec, British Columbia, and my own province of New Brunswick. They have updated their legislation dealing with trust and loan companies. Quebec has the Caisse des Depôts, and they are an example of one-stop shopping as far as financial institutions are concerned. The consumer can go into any one of their branches and buy insurance, take out a loan, or make a deposit. Those are the areas that we have to explore and try to balance in making our financial institutions viable and able to compete on the global market, as well as on the national market. Also, we have to come up with the necessary protections for our consumers.

There are really four important areas in this legislation. They are the powers of the financial institutions, the ownership, the regulatory framework and the supervisory system. Those are very important and controversial areas, quite frankly.

The issue of whether a financial institution can be widely held or closely held is important. We see that Canadian banks must be widely held and that there are severe restrictions on exactly how the ownership of shares is to be held. No one can own more than 10 per cent of any bank. At the same time, trust companies with assets over $750 million must be in such a situation that only one person or one organization can own 35 per cent. This allows that trust companies can be closely held. Banks are at a disadvantage in that they must be widely held.

The supporters of widely held ownership feel that this is a safeguard against self-dealing and the misuse of depositors funds. Therefore, banking institutions are less likely to have some hot-shot come in and convince them to invest large sums of money into a high risk venture.

I am not certain whether that will actually work. I was reading an article today in the newspaper about the government in New Zealand being forced to bail out its whole banking institution and its major bank because it had been induced into some rather odd projects by a financier from Australia. There are some risks even in the widely held situation.

Another area of concern is the linkage between different financial institutions and whether banks ought to be able to sell insurance, whether non-institutions can own banks, and all those types of circumstances.

The American Express situation is one that comes immediately to mind which puts all of our financial institutions at a decided disadvantage. It competes directly with Canadian firms which are not allowed those same rights. Schedule A banks are not allowed to have commercial financial links. For trust, life insurance, and securities firms, the rules are somewhat different. There is some flexibility in those particular areas.

The issue then becomes: Do we want to give our financial institutions broader powers in these areas? Should banks be able to sell insurance? Will the network system with insurance companies make for such a concentration of wealth and power in the banks that the consumer will subsequently come under jeopardy?

Banks will submit, of course, that premiums will fall because they will have the concentration of power and will be able to deal with that. There is also the fear that, with the concentration of power, in actual fact premiums will rise and consumers will be in jeopardy.

In a similar vein, will banks such as the Bank of Nova Scotia still be able to market Canada Life casualty insurance through brochures and phone lines within their branches? Those are some of the issues that have to be dealt with and require the finance committee or any committee input to go through the legislation and entertain points of view, from banks and other financial institutions as well as from consumers.

Also, we see areas where auto leasing could be made available. Our concern is whether banks should be allowed to move into that particular area. I know that all members in the House have been receiving correspondence from different financial institutions urging us not to allow car leasing to be financed through banks.

Mr. Sobeski: It is not in the bill.

Mr. Rideout: I acknowledge that it is not in the bill.

It is a matter of looking at our financial institutions and trying to do what is right for the over-all industry. The interesting thing is that most of the car leasing is done by American companies—GMAC, Ford Credit, and Chrysler Credit. Granted, they employ Canadians and create jobs in that sense, but the major money and the profits are leaving this country and fleeing to the United States. It is just another arrangement to assist in that area.

• (1250)

We have to decide whether financial institutions are going to be able to promote goods and services through the use of their credit cards. Again, it is going to be interesting to see if the different consumer groups and financial institutions come forward with some thoughts as to what is the appropriate way to set up our banking system.

Our banking system needs a full and complete overhaul. All our financial institutions have to be looked at and perhaps with the start of this legislation we can move to a more active review of institutions. This could create a situation in which the banks, trust companies and insurance companies are better able to compete globally.

I would also mention the areas dealing with regulation and dealing with self-dealing, conflict of interest, and corporate concentration. We have to be very mindful of what happened in the United States with the savings and loan fiasco and the fact that if it has not bankrupted the United States it is very close to doing so with $500 billion being taken out of the economy in order to bail out the savings and loan institutions in the United States. We have to be very clear that our regulations and the powers that are contained with the superintendent are strong and can avoid those types of disasters.

We have seen a touch of it here in Canada with the problems which occurred in Alberta and those financial institutions that went down because of mismanagement or perhaps a whole host of things. The net result is that a lot of people lost a lot of money. That was just one institution. If that spreads throughout all of our institutions and we continue to lose confidence in these institutions, then they will become less effective and not able to deal with the economic development policies of our country and of individual provinces.

In addition, we face the problem of federally regulated organizations as they compare with provincially regu-

lated organizations. Our experience so far is that the federal government has allowed a void or a vacuum to develop and the provinces have moved in and taken over or filled this void. We now have to decide whether we are going to be competing on a federal basis or on a provincial basis with a lot of these institutions. Again we have to try to ensure that all of these institutions are going to be subject to some regulatory control so that the confidence is maintained in our financial institutions.

With respect to self-dealing, again, we have to ensure that there are no non-arm's length transactions. The argument is that widely held corporations move that institution closer to a situation where there cannot be self-dealing and it cannot have conflict of interests. I am not sure whether that is really the case when you look at it. We have to ensure that the superintendent's powers are as broad as possible and that he is given authority to go in, conduct audits, and move in a positive vein. The impression I am left with is that the superintendent utilizes moral suasion in most cases, rather than adopting an approach whereby he has actual powers to force the different financial institutions to carry out his wishes. This becomes very critical because, again, if we have a run on our financial institutions, we are going to face problems. We must maintain confidence.

I know that my time is running out and I would say in conclusion that we are supportive of the bill in its general thrust. We are supportive of it going to the finance committee for review. We are looking forward to the opportunity of hearing from a wide variety of people who have a vested interest, from consumers to financial institutions, in the hope that we can take what is mediocre legislation and turn it into something that is a lot better.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I am also looking forward to getting the bill to the finance committee to have a look at it. I am sure the hon. member, and the member for Nickel Belt, will have constructive things to add to this particular bill.

The one thing I have heard today is that there are already things in the bill to protect the consumers. There are things that are not in the bill that members want to bring on to the floor, such as banks getting into car leasing, which will not be allowed. There are many things to discuss and I am looking forward to those meetings.

One thing I would like to clarify and get the hon. member's opinion on is that the legislation will permit institutions without insurance underwriting powers, such as banks and trust and loan companies, to own companies, but the rules will restrict the retailing of the insurance by the deposit-taking institutions. The illusion that is being left is that it is all going to be banking under one roof.

The member for Kamloops, when he spoke earlier, talked about the concerns that the small insurance broker on Main Street would be impacted by this. I do not know where the concerns are coming from. The retailing of insurance will not be allowed.

For example, right now one of the concerns that people have is that branches through telephone or computer links can sell insurance. That will not be allowed. Banks will be restricted from servicing insurance policies. There is also a concern about the flow of information, that indeed that information will be passed along. That is a concern, but again the legislation attempts to eliminate that amount of disclosure.

The banks will still be allowed to sell their particular services, but that small broker on Main Street, who is the professional in providing property, casualty, and home insurance, will still be the expert whom the consumer will go to.

If the member has any concerns about that, I would like to know about it because indeed the legislation is a fine balance between ensuring that the large banks continue to grow, but indeed the consumers have a wide diversification of people to go to. For example, professionals who have been selling home insurance for years will still be able to do that. They will not sell home insurance in a financial institution, but rather they will sell it on Main Street.

I hope the member will agree with me that that part of the legislation is good and I would like him to comment on that. Again, I look forward to his comments when we do get to committee with this bill.

Mr. Rideout: Mr. Speaker, I should say that I appreciate the question that has been put forward. I acknowledge that, in a general sense, there are some protections within the legislation designed to protect the small insurance agent. My concern, and I think it is the concern of others, is that as we have this potential for a concentration of power within financial institutions, particularly in the insurance area, there is by a process of influence, suasion, or whatever means, a taking away of

the independence of the small broker and putting it into the hands of the large financial institutions.

Our concern mainly is what happened with American Express and the services that it now offers with its subsidiaries. That is going to be taking place in our financial institutions because the banks are going to have to be allowed to do the same thing.

My time is up and I will try to answer that later.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

DAVID IRVING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, while freedom of expression is one of the values we cherish most in Canada, it also permits us to challenge the views of those with whom we disagree.

I therefore express deep concern about British author David Irving's tour of Canada. His claims that the Holocaust has been exaggerated only distorts history, minimizes the atrocities of the Nazi regime, and sows the seeds of hatred. We know only too well that the promotion of hatred against identifiable minorities leads to acts of violence, as we witness daily around the world.

Irving reportedly said in Ottawa last night that Hitler never knew what was going on, that no gas chambers were used to kill Jews, and that gas chambers seen today at Auschwitz were built after the war. Such words of course confound those who lost their dearly beloved family and friends at one of the lowest points in human history.

I know Mr. Irving's views are rejected by the majority of Canadians, including members from all sides of this House, and that Canadians will rally around the truth, reject prejudiced views like Mr. Irving's, and stand up for the peaceful, tolerant and respectful society that we all are.

* * *

[*Translation*]

TRIBUTE TO BOMBARDIER INC.

Mr. Yvon Côté (Richmond—Wolfe): Mr. Speaker, it is a pleasure to draw the attention of the House to the fact that a company in my riding, Bombardier Inc. in Valcourt, received two major awards last week. Bombardier's marine products division was awarded the "Palme d'or" in the industrial design category, for designing and developing the Sea-doo, a water sports vehicle that has won 15 per cent of the North American market in only three years.

On the same occasion, another division of Valcourt received the "Palme d'argent" for excellence in the industrial design of ski lift equipment.

Mr. Speaker, these awards were given in recognition of the exceptional design qualities of a product manufactured in Canada. I take great pride in the fact that a Quebec company from Valcourt, in my own riding of Richmond—Wolfe, was able to compete and indeed win recognition on a national level.

Congratulations to all engineers and staff at Bombardier in Valcourt!

* * *

[*English*]

COMMENTS BY PRIME MINISTER

Mr. Sid Parker (Kootenay East): Mr. Speaker, last weekend the Prime Minister threatened Quebecers with the loss of their pensions in the event of separation. While I share the Prime Minister's belief in national unity, his comments again show that, given the choice, he will choose his macho, bullying approach over consultation and compromise.

He has used this aggressive and unproductive style to claw back pensions, force his GST down the throats of Canadians, impose his high interest rate policy, and bring our country to the verge of collapse.

When is the Prime Minister going to realize that Canadians will not accept being bullied and that his style

is a thing of the past? Canada's future cannot stand many more macho outbursts from the Prime Minister.

* * *

HMCS *PROTECTEUR*

Mr. John E. Cole (York—Simcoe): I would like to advise you, Mr. Speaker, and members of the House of Commons of the initiative taken by the council and residents of the town of Newmarket, my home town.

The town has decided to "adopt" the HMCS *Protecteur* serving in the Middle East and will be sending letters, magazines and newspapers to the ship to show concern for those on board.

The sailors enjoy reading letters from home in their spare time and it is important for their morale to know that individual Canadians have taken the time to show they care.

I know the residents of Newmarket will support this project and I challenge other communities and all Canadians to take a moment to write to these young men and women and let them know our thoughts are with them and they are not forgotten.

In these uncertain times, the certain support of the citizens of Newmarket and all Canadians is appreciated and is very important to those serving overseas.

* * *

CP WESTIN SHOPS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, recently a member of the House of Commons raised the issue of occupational health safety at the CN shops in Transcona. He was referring to the presence of asbestos in the powerhouse.

I would like to raise another such issue. The conditions which the employees at CP's Westin shops are exposed to are dangerous and potentially harmful, to say the very least.

Recently, employees were asked to dismantle a boiler insulated with asbestos strips. Employees were exposed to asbestos dust for a three-week period in April of this year. In both situations, management was irresponsible.

Further, on October 16, 1990, a safety officer inspected the Westin site under subsection 145(1) of the Canada Labour Code and found that there were contraventions. I summarize. No warning signs to inform employees of asbestos insulation in the preheater; asbestos containing materials in boilers were not identified; employees had not been provided with the information, instruction, training and supervision necessary to ensure their safety and health at work. There has been no hazard assessment of asbestos in the workplace. The government must take responsibility to ensure that the workplace of all employees is safe and free of health hazards.

[*Translation*]

The government must ensure that the health and safety of all employees, in the place of work and elsewhere, remain a priority and a matter of constant concern.

* * *

TRADE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, Canada's Minister for International Trade announced that export duties levied on certain lumber products sold by Quebec on the American market will be reduced from 8 per cent to 6.2 per cent as of now, to 3.1 per cent by November 1, 1991, and to 3 per cent a year later, until October 31, 1994.

This decision, made on October 31, 1990, by senior officials of the government of Quebec, External Affairs and International Trade Canada and the United States, arises from a memorandum of agreement signed in December 1986 by Canada and the United States. The reductions in question reflect the value of substitute measures adopted by Quebec.

The Quebec Lumber Manufacturers Association has reacted favourably to an announcement that is very good news, Mr. Speaker, for Abitibi—Témiscamingue.

* * *

[*English*]

THE ECONOMY

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, Jimmy Swaggart must feel proud. His public penitence, a modern form of self-flagellation and public humiliation minus the sackcloth and ashes, of course, in the hope of expiating one's sins is now a model for political leaders, ones who are unwilling and unable to correct wrongs they visit upon an unsuspecting citizenry.

"Oh, we could have done more to cut the deficit," said the Prime Minister to viewers and listeners in southern Ontario last night. "Had we done more earlier, our problems today would be less. No doubt about it," conceded our Prime Minister to an irate audience. "Yes," he admitted to those waiting relief, "the goods and services tax is coming at a difficult time as the country heads into a recession". But, will he do anything about it? Well, no time is a good time for a new tax, we are told. Besides, our valiant leader does what he thinks is right and not what the overwhelming majority of Canadians knows to be right. How similar is this to a wolf's confession? One can almost hear in the distance the penitent predator in the confessional addressing the confessor with an absolution: "If you will, quickly, Padre, I think I hear sheep coming over the dell".

* * *

[*Translation*]

REVENUE CANADA

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, the Minister of National Revenue wields a policy that discriminates against taxpayers.

Mr. Réjean Perron of La Tuque failed to file a return for 1985-86.

Mrs. Joncas at the Identification and Compliance Section sent him a letter on October 6, 1989, ordering Mr. Perron to file his tax returns as soon as possible.

After he did so, it turned out Revenue Canada owed him money for the two years in question. However, the minister refused to refund the money, stating he had only three years to claim his refund and that he was too late.

How could Mr. Perron meet this deadline when he received the letter four years after the year 1985?

Mr. Minister, your department insults Canadians by this abuse of its administrative authority. Since all citizens have to pay taxes, the same should apply when the government owes money.

In the case of Mr. Perron, despite the fact that you were aware of the case, you did nothing except pass the buck to the Minister of Finance.

I suppose that is what you mean when you say you act responsibly.

[*English*]

TANKER TRAFFIC

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, it has been almost two years since the Nestucca oil spill off the British Columbia coast confirmed our worst fears about oil shipments. That incident led to an emergency debate in this Chamber, demands for a full public inquiry and for an environmental assessment of the Westridge loading facility in Vancouver Harbour.

Since that time, tanker traffic in Vancouver Harbour and the Strait of Juan de Fuca has increased fourfold. The size of the tankers has expanded and the volume of crude exports has gone up 2,000 per cent. Despite repeated warnings and recommendations contained in no less than three high profile reports, and an acknowledgement by the Coast Guard that it is not equipped to handle a major spill, the government has refused to take action.

Last week, the government received the final report of the Brander-Smith Panel on Tanker Safety. The government's response was predictable. The inevitability of a large spill in the Strait of Juan de Fuca affecting the Gulf Islands has once again been ignored by this government.

• (1410)

The evidence is clear and the potential for disaster obvious. When will this government act in the interests of the British Columbia people and implement the Brander-Smith recommendations?

* * *

[*Translation*]

FAMILY VIOLENCE

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, across the country, one woman out of 10 suffers verbal, sexual or physical violence inflicted by her spouse. Most victims of family violence do not call in the police until after the 34th instance of assault. This figure does not include the thousands of women who never lay charges at all.

Mr. Speaker, on Monday, November 12, the women of Châteauguay will have a new shelter to escape family violence. The new shelter, the Re-Source, will open its doors thanks to an interest-free mortgage loan of

$225,000 provided under the shelter operation program of the Canada Mortgage and Housing Corporation.

A solution to the problem of family violence will not be found overnight, but meanwhile, operation shelter, an initiative of the Conservative Government, will help women from Châteauguay and 14 other municipalities in Quebec escape family violence.

* * *

[*English*]

MERCHANT NAVY

Mr. George Proud (Hillsborough): Mr. Speaker, we must recognize the contribution made by merchant seamen to Canada's struggle during the two world wars and the Korean War.

While merchant seamen were not members of the Armed Forces, they played a crucial role in the allied victories. Without the merchant navy, our forces would have been deprived of vital supplies of food, weapons, ammunition, vehicles, fuel and other essential items. Merchant seamen ran the same risks as members of our army, navy and air force. Too often, they paid the same price.

The United Kingdom and the United States have legally recognized their merchant seamen as having served on active military service, and they are entitled to equal benefits. Do members of the Canadian merchant navy not deserve the same treatment?

Yes, Mr. Speaker, they do deserve our honour and support for their sacrifices. This should be clearly demonstrated by giving them full status under veterans legislation, with no discrimination whatsoever.

* * *

VETERANS AFFAIRS

Mr. Peter L. McCreath (South Shore): Mr. Speaker, this week Canadians and others around the world will observe Remembrance Day. Since this annual observance began, following the war to end all wars, there has not been even a moment in history when there has not been a war or armed struggle going on somewhere.

Remembrance Day is marked lest we should forget those who fell, or those who served.

Canada has an enviable reputation around the world for the tangible programs and benefits we provide to our veterans. It is important that we continue to remember and to serve the 600,000 Canadians who are veterans.

The consequences of wartime service are just now catching up with many of our veterans, whose average age is 70 years. For some, the normal ailments of aging are compounded by the weeks of youth spent fighting in the flooded Dutch fields or standing watch on the frigid decks of a corvette on the North Atlantic run.

I compliment the Minister of Veterans Affairs for bringing forth Bill C–87, illustrative of Canada's continuing commitment to our veterans, and urge all members to give it their full support.

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EXTERNAL AFFAIRS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, many Canadian members of Parliament have been approached by the families of those Canadians who are currently in Iraq and Kuwait and unable to leave.

I have urged the Secretary of State for External Affairs to agree to permit a Conservative member of Parliament to take part in an all party parliamentary mission on a humanitarian basis to Iraq and to Kuwait in order to assist the families who are feeling such a sense of pain and loss at this very difficult time.

There are some 27 men in Baghdad and 13 in Kuwait. These families are deeply concerned. I have spoken personally with a number of them. There have been delegations from many other countries, but our government so far has refused to take this important humanitarian step.

Indeed, the Prime Minister has referred to those Canadian citizens who are trapped there as being few in number and not in dire straits.

[*Translation*]

Mr. Speaker, this silence is particularly ominous, considering the Conservative government's recent threats that, with the United States, it would use force against Iraq, without the consent of the United Nations and even without a mandate from Parliament.

On behalf of the families and on behalf of all Canadians who condemn this government's silence and failure to act, I ask the government to allow a multiparty delegation to take part in this humanitarian mission.

[*English*]

COMMENTS BY PRIME MINISTER

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, last night on CFTO TV, the citizens of southern Ontario had their question period with the Prime Minister of Canada.

They asked numerous questions of genuine concern on a broad range of subjects, to all of which our Prime Minister responded honestly and directly.

Real Canadians are not interested in sleaze questions. Ordinary Canadians are not interested in character assassination.

Congratulations to Tom Clark. He would make a great Speaker of this House. Congratulations to the Canadians who posed the questions to the Prime Minister. They would make the opposition in this House look shameful, tasteless, and ineffective. Congratulations to the Prime Minister for making tough decisions and showing real leadership.

Mr. Speaker: Any time Mr. Clark would like to take over I am quite prepared to vacate the chair.

Some hon. members: Oh, oh.

* * *

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, we all remember the Minister of Finance, in introducing the dastardly GST, indicating that it was a fair tax that would lead to much increased prosperity in every part of Canada. He also said the GST would have a one time inflationary impact of 1.2 per cent.

According to recent polls, we know that the people of Canada do not believe him and in Atlantic Canada only 3 per cent support his goods and services tax. Now the Tory Minister of Finance for the province of Nova Scotia, Greg Kerr, has said he does not believe the minister's prediction either. He has predicted that the GST will drive the inflation rate up over 7 per cent next year in Atlantic Canada, twice as high as the projections of the federal government.

Canadians, but in particular Atlantic Canadians, have suffered enough because of this government's economic policies. There have been billions in cutbacks for regional development, health care, education, and equalization payments. Enough is enough.

If this government does not want to hear the bad news from Canadians, then it should listen to it, Tory buddies like the Minister of Finance for the province of Nova Scotia, realize the folly of its ways and withdraw the 7 per cent GST, and do it today.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance.

Today the shower of bad economic news raining on Canadians from this government is continuing. Statistics Canada has reported that the composite leading indicator, a measure of how this economy is expected to perform, is down for the seventh month in a row, which its economists say mean that this recession is going to last longer than six months.

There is more bad news. Domestic auto sales are down 19 per cent compared to a year ago, which means a lot of suffering for thousands of Canadian workers and their families from plant closings and lay-offs in this key industry.

Why does the minister want to create such a grim holiday season for thousands of Canadians and their families? Why won't he bring in new economic policies, including lowering interests rates right now, that will roll back this recession instead of making it much, much worse?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is one element in the drop in auto sales which I think is significant, and that is that the fleet buyers who are going to be major beneficiaries of the GST are holding back from purchasing because—

Some hon. members: Oh, oh.

Mr. Peterson: Wonderful proposal!

Mr. Wilson (Etobicoke Centre): Members opposite are laughing. What will happen with the GST is that the cost to the fleet manufacturer will drop by 13.5 per cent. It is an important part in their competitiveness for them to hold off.

They are going to be major buyers by January 1, 1991. That is going to provide a boost to the production of the automobile companies. It will result in a savings for those people who lease cars and for those people who are going to rent cars. That is one of the things that I

think is helpful to understand, rather than have these distorted statements made by the Leader of the Opposition about the economy.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, what the minister calls distorted statements are coming from his own statistical agency, Statistics Canada.

Canadians do not believe the minister when he talks about the GST. The auto companies are offering rebates right now which they say are equivalent to any savings from the GST, and still cars are not being sold due to this government's economic policy.

In fact, John Winter, a leading retail consultant, said: "The grinch," and I guess he must mean the Minister of Finance, "has already stolen Christmas and probably has his eye on Labour Day next year".

• (1420)

Deloitte & Touche, a major accounting firm, says that 43 per cent of retailers expect to have lower sales this Christmas than last year. In fact a senior partner in this firm said: "There's a lot of walking wounded out there".

When is the minister going to do something for the walking wounded he has created, the small business people, small retailers, in fact almost all Canadians who are suffering from this minister's made-in-Canada recession? When is he going to do something to help these walking wounded?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not aware of the many deals now being offered to the fleet buyers by the car manufacturers. They are going to be buying those cars with a major saving after January 1. I think we will see quite an increase in purchases by the fleet manufacturers.

The hon. member refers—and I have the article right here—to the problems in the retailing sector. What my hon. friend could do with the retail sector is encourage his friends down the hall in the Senate to pass the GST so we could get on with the payment of some $600 million to low income Canadians to help them purchase things during the pre-Christmas period.

What I am hearing from the other side is that it is the weakness of Jean Chrétien as the leader of the party, the weakness of Jean Chrétien who is not capable of controlling the Senate, who is not—

Mr. Speaker: The hon. Leader of the Opposition.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, John Winter, a leading retail consultant, and Deloitte & Touche, are not blaming what they predict to be a disastrous Christmas season for retailers on anything to do with the GST. They are talking about this minister's economic policies. He ought to face that, accept it, and do something about them.

[*Translation*]

Mr. Speaker, the recession created by this minister is genuine and it affects all sectors of our economy.

Last week, Pratt & Whitney announced that 850 employees would lose their jobs, and today, Marine Industries in Quebec has announced 700 layoffs.

I therefore want to ask the Minister of Finance what he is waiting for to introduce job creation initiatives. Why does he insist on making life miserable for all Canadians?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, doesn't the hon. member think that it would be helpful if Jean Chrétien, Leader of the Liberal Party, showed a little backbone and stood up to Allan MacEachen and said: "Senator MacEachen, there are 7.5 million or 8 million Canadians expecting $600 million from the passage of the GST. It is important for the retail sector of the country". But, with the flip-flops of Jean Chrétien where one day he says: "We are going to do one thing about the GST" and another day says: "We are going to do something else," who knows?

The hon. member referred to Mr. John Winter. I want to point out something in this article. Some 32 per cent of retailers predicted businesses at their stores would rise faster than inflation. Another 21 per cent expected sales gains of 3 per cent to 5 per cent. That is 53 per cent. Some 47 per cent feel that sales will drop.

The message that I draw from this, and it is said by Ron Corbett in *The Ottawa Sun* today, "Some days I can't help but wonder if what we are doing is right, if we aren't somehow creating a self-fulfilling prophecy in our coverage of the recession".

It is the statements by the Leader of the Opposition who turns everything into a negative because—

Some hon. members: Oh, oh.

[*Translation*]

Mrs. Diane Marleau (Sudbury): Mr. Speaker, the Prime Minister is making a last ditch attempt to go up in the polls by pretending to listen to Canadians.

However, the message was and remains quite clear: 76 per cent of Canadians don't want the GST. Furthermore, the government's policies have generated excessively high interest rates, leading to falling profits, bankruptcies, and successive layoffs.

Mr. Speaker, my question is directed to the Prime Minister or, in his absence, to the Minister of Finance. Now that the Prime Minister has decided to lend an ear, is he prepared to lend Canadians a hand and change his disastrous policies?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I say to my hon. colleague opposite that if she is concerned about the people who need some help now, there are 7.5 million or 8 million Canadians who are looking to receive some $600 million in total of GST credit cheques before Christmas.

That is important for the retailing sector in this country. It is important for those Canadians whom she is concerned about. If she feels strongly about that, she should speak to her leader, Jean Chrétien, and ask him to stand up once and for all to Senator MacEachen, who is pulling the strings of the marionette, Jean Chrétien.

Mrs. Marleau: Mr. Speaker, if this government wants Jean Chrétien to run this place, perhaps it should resign and—

Some hon. members: Hear, hear.

Mrs. Diane Marleau (Sudbury): Yesterday, Mr. Speaker, the Prime Minister stated:

> Well, the hell with it. The structural changes have to be made. This economy will not survive without those kind of changes.

The economy has been seriously wounded and is failing fast.

My question is for the Minister of Finance. Will he take action, help us survive, and ease his monetary policy before the only structure left in this country is the flat line and we are dead? Will the minister help us?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that just underscores my point about the exaggerations that are made.

Certainly the economy is in trouble. We must be doing what we can to get the economy pulled back together again. That means getting inflation down. That means getting interest rates down, but it also means allowing some of the changes that we are trying to bring in to help the performance of the economy, such as the goods and services tax which will help low income Canadians and which will reduce the cost of production for companies to help them compete better internationally.

I say to my hon. friend that she should speak to her leader, Jean Chrétien. We are not asking Jean Chrétien to run the country. We are just asking him to take on a smaller job of trying to run the Liberal Party of Canada.

* * *

INDIAN AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, my question is directed to the Deputy Prime Minister.

When the House finally reconvened after the summer of native discontent, the Prime Minister made three specific promises in this Chamber to native people: improvements to the specific lands claims process, fulfilling treaty land obligations which had been outstanding for over 100 years, and the acceleration of modern treaty negotiations based on comprehensive land claims.

On another occasion, the Prime Minister also proposed a royal commission into aboriginal issues. But last Saturday, Senator Lowell Murray indicated that the royal commission and other proposed reforms would have to wait until after the Spicer committee reported on July 1. "Frankly, he said, "we don't want to distract from the more fundamental issues".

Given that Meech Lake collapsed in part because aboriginal people were locked out of the process, is the government now prepared to repeat that failure with the Spicer commission, or will the Deputy Prime Minister

repudiate Senator Murray's comments now and keep his government's promises to native Canadians?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, obviously the hon. member has been somewhat misinformed because there has been substantial progress made in the areas of land claims, treaty rights, and the over-all improvement of conditions for our aboriginal peoples which has been conducted under the very capable leadership of the Minister of Indian Affairs and Northern Development.

I think what the Senator was saying is that until such time as there is some consensus built in the nation as to how we best deal with the issues of the aboriginal peoples, it would be counterproductive to attempt to engage in any constitutional dialogue *per se*.

There have been a number of attempts made at that, and that does not take away from our resolve to deal with it, but I think this process will have to be allowed to take its course so that we can build a better consensus and a better understanding between aboriginal peoples and all Canadians across the country.

• (1430)

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister. On Sunday the Prime Minister promised he will shortly make a formal apology in the House of Commons to all ethnic groups mistreated by the Canadian government and consider compensation.

However, if you have your land stolen, your water poisoned, your children forcibly removed and adopted to foreign countries, or subjected to sexual abuse in residential schools, if you are the first citizens of this country you get nothing until the Spicer committee reports. Is this not the government saying, first come last served?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think it is most inappropriate that the hon. member tries to oversimplify a situation by suggesting that no positive initiatives will be taken on behalf of the aboriginal people of Canada.

The Deputy Prime Minister has clearly pointed out that the words of the Prime Minister, as stated in this House, are being fulfilled by specific and concrete actions. The historic meeting of the Prime Minister with B.C. aboriginal leaders for the first time since 1910 is an example of that commitment. The meetings that have taken place with the Federation of Saskatchewan Indians on treaty land entitlement, which I will continue this week, are evidence of that commitment.

The Prime Minister's appointment of a prominent aboriginal leader, Miss Carol Corcoran, to the Citizens' Forum on the Future of Canada are all clear evidence of this government's commitment to make very positive progress on behalf of our aboriginal people.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I do not know what planet this government is on. I want to direct a supplementary question to the Minister of Justice.

As I put the question now, in our own province of British Columbia we are seeing a repeat of Oka, a mini-Oka where the RCMP are called in once again to remove a barricade.

What has the minister done? What initiative has her department taken to prevent these mini-Okas? What does she propose to do concerning the present situation at Duffey Lake near Pemberton? Has she taken any initiatives or is she going to just stay asleep at the switch and perhaps allow violence in our own province of British Columbia?

An hon. member: As she did last summer.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the rhetoric of the hon. member is extremely irresponsible. The events of the summer months have been very tragic for all Canadians. This government has made it quite clear that we are prepared to negotiate the settlement of comprehensive and specific claims and to improve the means of conducting those negotiations.

We made that undertaking in British Columbia some weeks ago and the people of the Lillooet Nation and Mount Currie Band are entitled to access that process. I will be meeting the Chief of the Mount Currie Band tomorrow morning to discuss these issues further.

The courts of British Columbia had deemed that all British Columbians and all Canadians must abide by the law and not use road blocks to achieve their ends.

* * *

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. Last night Canadians learned that national defence allowed Canadians to serve as volunteers in the clinical trial of HI-6, a drug which is being tested as an antidote against nerve gas poison, without them being fully informed that the drug could cause cancer in addition to birth defects.

Since the Health Protection Branch apparently insisted to researchers that the consent form should indicate the drug is carcinogenic, could the minister now explain why the study went ahead despite non-compliance with our Canadian ethical and safety standards? Was he surprised? And would he now issue a directive to halt continuation of this study unless it reveals all known side effects to volunteers and thereby ensure informed consent?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the Department of National Health and Welfare is very determined in any case where testing of drugs takes place to ensure the safety of all the volunteers. That was why in the consent form, considerable detail was gone into to ensure that volunteers were informed of potential side effects.

Included among the warnings on the consent form—I do not know if my hon. friend has seen it or not—is the following statement: "As with any drug, unexpected and potentially serious effects, including fatality are always a possibility". We went into specific details. We also said that other unanticipated side effects, including fatality, could be a possibility. We have asked that in subsequent trials during Phase 2 that this be elaborated on even further, to make reference to the fact that we should be cautious to ensure that there are cancerous side effects, notwithstanding the fact that we have no evidence to date to suggest that such side effects could occur.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, once again the minister has shown that his own department has regulatory impotence. Less than 1,000 American dollars will buy a Canadian human guinea pig in Tory Canada. Mr. Trottier, one of the Canadian human guinea pigs the minister referred to was not aware of the tests being conducted on him. The minister should reread the contract.

[*Translation*]

My supplementary is directed to the same minister. It is a recognized fact that the American government offers grants in Canada for research on chemical and biological warfare.

I want to ask the minister to inform the House today when he will demand that the Minister of National Defence stop overruling his own department's regulations and when he will prevent Canadians, who are either needy or misinformed, from being bribed to serve as guinea pigs for purely military ends.

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, the hon. member says I should again read the contract. Indeed, I will. As with any drug, unexpected and potentially serious effects including fatality are always a possibility.

The hon. member makes false allegations again, as is often the case. She should recognize the fact that Canadian troops are today in an area of the world where potentially they could be exposed to nerve gas. They are up against a regime which has used nerve gas against its own civilian population.

The goal of the Department of National Health and Welfare is to ensure that informed consent is given and to ensure that all possible information is made available. Not only was specific information given here, but there were warnings that unanticipated side effects could be found. We have gone beyond that and said that in Phase 2 there has to be specific reference made as well to the possibility of carcinogenicity, notwithstanding the fact that we have no direct evidence showing that HI-6 can cause cancer.

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REMEMBRANCE DAY

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is for the Minister of Veterans Affairs and concerns Remembrance Day.

The minister will know that the Dominion President of the Royal Canadian Legion has specifically written the

Prime Minister protesting the Prime Minister requesting the Governor General to go abroad on November 11.

Will the government reverse this request and immediately urge the Governor General to remain in Canada, fulfil his obligation as a Commander in Chief of the Canadian Armed Forces and participate in Remembrance Day services here in Canada.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, His Excellency the Governor General will be attending the enthronement of Prince Akihito, along with members of the Royal Family, heads of state, heads of governments from around the world, Governors General from all the Commonwealth countries, representing the people of Canada at that event.

It is extremely important to note that on November 11, His Excellency will be attending a Memorial Service at Yokohama Cemetery, along with members of the military, two recipients of the Victoria Cross for Canada, and with other members of Parliament from this particular House. I know his thoughts will be with us.

He will be attending on this particular occasion, a very important ceremonial event on behalf of the people of Canada.

Mr. Jerry Pickard (Essex—Kent): That is a very disappointing answer for veterans who have given so much.

My supplementary question is for the minister responsible for Canada Post and also concerns Remembrance Day. We as a nation face a unity crisis. It is imperative that we hold tradition, unity and history in high regard. Remembrance Day is an institution which unifies all Canadians.

This concept is being threatened by management contract negotiations at Canada Post, where postal workers may lose their right and ability to participate in Remembrance Day services.

Will the minister maintain the Canadian Remembrance Day tradition by demanding that Canada Post respect this custom now and in the future.

• (1440)

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not think anyone on this side of the House needs to apologize concerning the reverence we pay to Remembrance Day and all it represents.

Labour negotiations are currently under way at the post office. The union has decided to take the public route on one particular item, giving one side of the story. Apparently, the hon. member has taken it as 100 per cent accurate and I do not choose to do that. We will let the responsible parties at the negotiating table complete their negotiations.

* * *

HEALTH

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Minister of National Defence on the HI-6 issue which has already been raised during Question Period. It was his department, according to my understanding, that was responsible over all for the tests on these four individuals. Two of the four said last night on television that they were simply not aware of the risks involved.

I have a letter from the Minister of National Defence to my colleague the hon. member for Skeena, dated July 30, 1990 which states: "You are correct in stating that the drug HI-6 is a known carcinogen". That directly contradicts the statement just made in the House by the Minister of National Health and Welfare. Which minister is correct?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, if the hon. member is referring to a letter I sent to his colleague dated September 4, I will read that letter.

Some hon. members: No, no.

Mr. McKnight: Mr. Speaker, if I could read the letter. If the NDP would allow me, Sir, I would like to read the letter.

Mr. Speaker: Perhaps the hon. minister could tell the House what is in the letter.

Mr. McKnight: Mr. Speaker, I would like to read a letter I signed dated September 4:

> Details on the component chemicals used in the synthesis of HI-6 were included in our Investigational New Drug submission made to the Health Protection Branch, Department of National Health and Welfare. Even though one of the chemicals, bis-chloromethyl ether (BCME), is a known carcinogen, this compound and its toxic properties are completely changed when it is combined to make HI-6. In this respect, the toxicity of BCME is not relevant to the toxicity of HI-6—

Mr. John Brewin (Victoria): Mr. Speaker, the minister will be aware that Doctor Mendoza, who is one of the pioneers of research in this area, has directly contradicted the statements made in that letter by the minister. Furthermore, the drug is banned in the United States and Doctor Mendoza has said that testing in the new year will be premature.

I would ask the minister if he will order that the tests proposed for the new year not take place.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the hon. member is a defence critic for the New Democratic Party, I would suggest to him that with the members of the Canadian Armed Forces presently serving in an area where chemical weapons have been used and have the potential to be used, he should be supporting the development so that we have in Canada a secure national source of an antidote for chemical warfare.

The member should also understand, Mr. Speaker, and I do not know whether the New Democrats really want to have the question answered, that this chemical HI-6 is available for sale in Sweden and in Yugoslavia. The reason we are developing new drugs in a new drug format in Canada is so that we can have a secure national source for the Canadian men and women who serve this country.

* * *

GUN CONTROL

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is directed to the Minister of Justice. Earlier this fall the Canadian Association of Chiefs of Police asked the justice minister to grant a Canada-wide gun amnesty to help reduce and control the number of illegal and unwanted guns on Canadian streets. The 1978 amnesty brought in about 47,000 such unwanted and unregistered weapons just like the kinds of guns that were used in Scarborough in September to kill two 15-year-old youths in separate incidents.

What is preventing the Minister of Justice from proceeding immediately to a general amnesty to help Canadian police forces in their fight against violent crime?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the main impediment to my doing what the hon. member suggests is a lack of legislative authority.

Contrary to articles in journals such as *The Toronto Star*, I do not have the legislative authority to declare a national amnesty on firearms.

I have been in communication with the provincial attorneys general and the provincial firearms officers to discuss the possibility of an amnesty, particularly in concert with our own firearms legislation. That would provide an opportunity for a public education campaign.

I should point out to the hon. member that it is within the authority of any chief of police to engage in an amnesty at his or her local level. I think that it is something that requires the ability of the local forces to carry it out. In other words, it is something that is very important to be done in co-operation with local forces because they have to have the personnel and the storage facilities to receive the firearms. There is nothing to prevent chiefs of police from doing this. In fact, I believe that the Ottawa Chief of Police has done this unilaterally. I would encourage all chiefs of police to use their authority to do so.

Mr. Derek Lee (Scarborough—Rouge River): I have a supplementary question, Mr. Speaker. I would like the minister to try to firm up her government's intentions in this regard.

In early October, a spokesman in the minister's office suggested in a published report that nothing would be done on an official gun amnesty until after passage of the GST. I do not really understand that attitude. Maybe the minister wants to tax the guns when they are turned in.

Will the minister proceed now by statute or by Order in Council? What else is preventing her from moving right now to get these unwanted and dangerous guns off the street?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, with all due respect I would suggest that the hon. member is incorrect when he quotes a member of my staff or anyone speaking on my behalf in saying that. He is quite wrong. The two things are quite unrelated.

I point out again that I have the legislative jurisdiction to amend the Criminal Code. I do not have the jurisdiction to enforce the Criminal Code. Because I lack the legislative jurisdiction to create a country-wide amnesty, I cannot do so. I am not going to introduce a special statute to do so.

As I said, I am in consultation with my provincial counterparts to determine whether it would be appropriate to have a national amnesty. I look to the hon. member's support of that effort.

* * *

CITIZENS' FORUM ON CANADA'S FUTURE

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister.

Despite the fact that northern Canada covers one-third of Canada's land mass and has a constitutional, political, and legal status which is unique in the country, the northern territories do not have a representative on the Citizens' Forum on Canada's Future.

I would like to quote, in part, a letter written by the government leader of the Northwest Territories to the Prime Minister on November 2. It states in part:

> I sincerely believe that a prominent Territorial resident would bring a unique perspective to the Forum's deliberations,—and provide some comfort to the Territorial governments and residents that they have a voice and a part to play at the national level.

Since the chairperson of the Forum recognizes all of the above by going to Tuktoyaktuk and Inuvik this weekend, and since the Prime Minister on the weekend said he is open to additional appointments, will the Deputy Prime Minister ask the Prime Minister to name a northern Canadian to the forum?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what the forum will be interested in—I am sure what all Canadians will be interested in—are the views of northerners on this very important subject.

As I said to the House yesterday, the members of the panel are not intended to act as representatives of any one group, any one region, or any one occupation. What they are there to do is to facilitate the dialogue and to encourage Canadians to talk to each other and to present their views to the panel. In that way we can hope to develop a consensus as to the values and what we want in terms of constitutional and institutional change, and how we might plot a course for a stronger, united Canada.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. The answer that was given is totally unacceptable.

Perhaps there is no substitute for the kind of positive contribution that a real northern Canadian person could make to that particular forum. It does not substitute to have a few forays made into the north.

• (1450)

Along the same lines, why did the Senate government leader state this past weekend that questions regarding aboriginal issues are futile to look at in that it would distract from the more fundamental exercise? The rights of first citizens must have been considered pretty fundamental when the Prime Minister made promises on September 25.

What are the government's plans to resolve the constitutional matters facing Canada's aboriginal people outside the citizens' forum, especially since this forum is not an acceptable substitute for direct action by the government?

Some hon. members: Hear, hear.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I cannot think of a better contribution that could be made by anyone than that of the two hon. members who represent the northern part of Canada. I think they are very—

Ms. Blondin: It's not good enough.

Mr. Mazankowski: The hon. member says that is not good enough. The hon. members are very eloquent and knowledgeable about the issues and I would think that the forum and all Canadians—

Ms. Blondin: Don't be so condescending.

Mr. Mazankowski: Mr. Speaker, she suggests that I am being condescending, but far from it. I am trying to be complimentary as I have no difficulty in being complimentary to the tremendous contributions the hon. mem-

ber makes to the House on behalf of the people she represents.

I can also say to her that one of the members of the forum, Carol Corcoran, is from northeastern British Columbia, Fort Nelson, and has, I understand, extensive links to the Yukon and the Northwest Territories.

Some hon. members: Hear, hear.

* * *

SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, news reports over the weekend are quoting officials from the U.S. government saying that they have no intention of changing the softwood lumber tariff that is wreaking havoc in the forest industry, especially in British Columbia and northern Ontario. Thousands of jobs are being lost.

My question is directed to the Secretary of State for External Affairs. Since 1986 when the tariff came in, the U.S. government has issued some 64 directives to the Canadian government regarding this tariff. Will the minister table those documents in the House so that we can establish once and for all the extent of U.S. domination of our forest policy since this government signed away our right to manage our forests ourselves?

Some hon. members: Hear, hear.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member knows that this arrangement arose from problems that had their root in stumpage practices in his province and others across the country. He should not try to confuse people about the history of the problem or the way in which it was resolved.

He is asking a question about a technical matter of tabling documents. He has been in the House long enough to know that if he wants an answer to a question of that kind which requires some notice, he should indicate his interest rather than raising it here.

I will look into the matter and, if the practices of the House would make it appropriate for those documents to be tabled, then we will proceed that way.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, in fact, I did that back on October 16 and this minister's own department has received some 64 directives from the U.S. government on the softwood lumber tariff. I take it from the minister that he will in fact provide those documents to the House.

My supplementary question, then, is this. Given the high interest rate policy of the government and its destructive policies as they relate to the forest industry, and given that the United States is clearly not listening to this government when it comes to its half-hearted attempts to change this tariff will the minister use Section 9 of the memorandum of understanding and terminate this agreement immediately?

Some hon. members: Hear, hear.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the NDP are the great terminators, except when it comes to having to stand up on any kind of— Now I am being lectured by the House Leader of the New Democratic Party. Maybe he wants to cross the floor again.

Some hon. members: Oh, oh.

Mr. Clark (Yellowhead): As I understand what the hon. member was saying, he was asking me if I would table a list of documents. When I told him he would be more likely to have a response to that question if he gave notice to me, he indicated that what he in fact had done before on the *Order Paper* was ask for a list of submissions that might have been made by the Government of the United States to the Government of Canada. It is one thing to ask for a list and another thing to ask for a document to be tabled.

I repeat my undertaking to him. I will see what the practices are. If the practices lead to the tabling of that document, then we will naturally follow those.

If his House leader intends to cross the floor again, or to offer that, I hope that—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Moncton.

* * *

GOODS AND SERVICES TAX

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Finance. The GST leaves retail co-operatives at a decided disadvantage. All contributions to share equity of co-operatives will be taxed; not so with their competitors. Services provided to

local co-operatives by parent co-operatives will be taxed; not so with similar retail businesses.

The minister recognized these errors with respect to banks and credit unions and corrected them. Why will the minister not correct the flaws and inequities in the GST as they relate to retail co-operatives?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the hon. member understands that it is very, very late in the legislative process. This is a matter, if he had raised it earlier, we might have been able to have a look at.

I think the hon. member must realize—

Mr. Manley: They would not change anything.

Mr. Wilson (Etobicoke Centre): The member from Ottawa says that we would not change anything. We have changed a number of things during the course of the legislative process. There are a number of changes that were proposed by the committee of which he is a member, the finance committee of the House of Commons. On December 19 of this year I announced a number of changes in relation to the tax.

It is important for the hon. member to get up and speak in his caucus and tell his leader, the Hon. Jean Chrétien, that it is important now that he should be giving the orders and that Allan MacEachen should not be giving the orders.

Some hon. members: Hear, hear.

Mr. George S. Rideout (Moncton): Mr. Speaker, this party supports our leader in instructing the Senate to fight the GST and seeing that it is killed.

Some hon. members: Hear, hear.

Mr. Rideout: Co-op Atlantic, the largest co-operative in Atlantic Canada has determined that the effects of this flawed GST will give its competition a $1.3 million a year advantage. For six months, the co-operatives have been attempting to meet with the government and remedy these inequities, all to no avail. Co-op Atlantic has now publicly supported the Senate in its fight to kill the GST. Retail co-operatives have been shuffled from one government department to the other.

When is the government going to address their concerns and remove the flawed GST?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when the hon. member said that his party supported the leader, I noticed that there was only scattered applause.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, was that for Jean Chrétien or Allan MacEachen?

An hon. member: They used to do that for John Turner.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Jonquière.

* * *

[*Translation*]

COMMUNICATIONS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Communications. Hon. members are aware how important it is to Francophone members to have a French news channel that will serve all Francophones in this country.

One amendment to Bill C-40, the proposed broadcasting legislation, would oblige the Canadian Broadcasting Corporation to offer this service to Francophones and Anglophones alike.

My question is this: is our government favourable to this idea and does it support establishing a news channel for Francophones?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the government is aware and conscious of the fact that the establishment of 24-hour French news service is of great interest to the French-speaking population of Canada.

Since last year when the CRTC rejected their request for a 24-hour French news service, Radio-Canada management have been working on a new application which will take into consideration the objections raised by the CRTC.

I believe that Radio-Canada is about to file a revised application, but no decison has been made about the date when the new request is to be submitted.

The task force looking into the economic situation of Canadian broadcasting will examine the capacity of Canada's broadcasting network to accommodate new services, including specialized services.

• (1500)

Mr. Speaker: The hon. member for Mégantic—Compton—Stanstead, only one question, please.

* * *

QUEBEC'S RIGHT TO SELF-DETERMINATION

Mr. François Gérin (Mégantic—Compton—Stanstead): In the absence of the Prime Minister, Mr. Speaker, I direct my question to the Deputy Prime Minister.

We all know that in Quebec City today the Bélanger-Campeau Commission began its hearings on the constitutional future of the province. We also know the answer given by the Deputy Prime Minister to a question I raised in this House on June 28 concerning Quebec's right to self-determination, and we know the answers given yesterday to the same question. Does the Government of Canada recognize that Quebecers are free to decide their future, to determine their political status, and to plan for their economic, social and cultural development?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as my colleague, the Minister of Industry, Science and Technology indicated in the House yesterday, this is a resolution that was brought forth by the Quebec wing of the Conservative Party of Canada.

Resolutions come forth in this manner from time to time from various regions of the country. As a matter of fact, there are regional policy conferences going on throughout the country and there will be a national policy conference that will take place in 1991. At that time, any policy initiatives or resolutions will be considered to the fullest extent. That is the normal process for a political party to function. If the hon. member wants an invitation as an observer to come to that conference, I will see that it is arranged for him.

AGRICULTURE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my question is for the Minister of Agriculture. Last February 26 the minister and the U.S. Secretary of Agriculture reached an agreement which will experiment with a harmonized systems of standards for meat and poultry inspection.

Can the minister apprise the House of what progress has been made with respect to this matter?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that is true; there was an undertaking by the Secretary of Agriculture for the United States and myself to try to work toward a harmonized system of border inspection based upon the equivalency of two inspection systems. There is obviously a process it has to go through. We were able to initiate that change through regulation.

In the case of the United States, it has to go through a public hearing process. There are a number of interested groups that wanted to appear to make comment on this proposal. That is still being undertaken, but I can assure the hon. member that the resolve to move toward this kind of an arrangement is very strong and the commitment is fully there, on both sides of the border. I hope that, after the success of going through the process, we will be able to implement a temporary measure which hopefully will become a permanent measure.

GOVERNMENT ORDERS

[*Translation*]

TRUST AND LOAN COMPANIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Loiselle that Bill C-83, an Act to revise and amend the law governing federal trust and loan companies and to provide for related and consequential matters, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. DeBlois): When the House took recess at 1 p.m, there were five minutes left for questions and comments following the speech by the

hon. member for Moncton. I will now recognize hon. members who wish to continue the period for questions and comments. The hon. member for Etobicoke North.

[*English*]

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the bill before us today embodies a subject which has long been of concern, both to the government in office during the early 1980s and the one in office through the latter part of this decade. More generally, it is a bill that should be of interest to all because of its central importance to our future economic growth. Our ability to muster and to direct our savings into productive uses depends directly on our ability to structure our financial institutions in such a way as to ensure both efficiency and probity. The key words in financial institution legislation which we have before us today must be solvency—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please! I would ask all hon. members to co-operate with the Chair and carry on their private conversations outside the House.

I may also remind the hon. member for Etobicoke North that we are still in the period for questions and comments, since we have not yet resumed debate.

[*English*]

Mr. MacLaren: Mr. Speaker, I had not noticed that there were any questions or comments. I was responding to the introduction of the subject again. If there are any questions, I should of course be prepared to cede the floor and to continue whenever you are ready.

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Etobicoke North.

Mr. MacLaren: As I was saying, Mr. Speaker, the question of financial institutions raises basically the problems of solvency, the concerns about probity, the question of competition and, finally, the need for national control and ownership.

The way that Canada orders its financial institutions and markets to a surprisingly large extent influences the way that we order our national objectives. "By following the money flows in the market economy", one observer has noted, "and dissecting the institutions that structure that flow, we can learn a great deal about the uses to which the society's resources are put, by whom, and how control is obtained and exerted." That is, in a sense, what we are doing today. We are discussing a fundamental question concerning the future of our country. It is that question that I wish to address today.

Allow me to begin with a question. How can our financial institutions best respond to the growing internationalization of markets and, more specifically, to the likely takeovers that will threaten Canadian control of its technology as well as its commercial and financial resources?

Over the years we have seen a variety of pressures for change arise in the Canadian economy that have led to the development of the legislation that is before us today. One of the principal forces that has made for change in financial institutions is inflation. The volatility of interest rates has led to shortening of the terms of both assets and liabilities in Canada, so as to reduce thereby the risks of borrowing at short term and lending at long term.

Over a period of time, with the shortening of terms of lending in Canada, institutions formerly active in long-term instruments have sought out increasingly short-term funds. They have sought a better matching of their obligations and of their assets. That has led to a crowding in the short-term intermediation of financial dealings. It has contributed directly to the blurring of the four institutions that we have traditionally recognized in Canada; the brokerage houses, the banks, the insurance companies and the trust companies. That blurring of institutions has in turn led to increasing problems of regulation. Obviously, if institutions become blurred, more indistinct than they traditionally have been, problems of regulation arise.

Equally, when we recognized in Canada some years ago the necessity of increasing deposit insurance, one result was that trust companies had their way opened to participate yet more actively in the total area of financial intermediation. The Bank Act revisions of 1954 and 1967 only increased the blurring of distinctions among the so-called four pillars of the financial world by allowing the banks first into consumer loans and subsequently into mortgages.

• (1510)

The result of this has been that the banks have become increasingly active in areas that had hitherto been the preserve of trust companies. Equally, as I mentioned, as a result of increased deposit insurance, the trust companies have become more and more active in deposit taking, an area that had traditionally been the preserve of our chartered banks.

Yet more recently, we have seen the entry of banks into the brokerage business. A few years ago the government, partly in response to an initiative taken by a chartered bank, enabled the banks not only to enter into the brokerage business, but to acquire the assets of brokerage companies. The consequence is that today there are, in effect, no major independent brokerage houses. That fourth pillar of our traditional financial community has now disappeared, in the sense of being an independent or stand alone entity.

Also, Mr. Speaker, over the years we have seen regulatory change leading to pressures for further regulatory change. You begin to change one regulation and you find soon that you must respond to other changes that are demanded as a result of the first change you made. So we have pressures from the mere fact that over a period of decades Canada changed its regulation of financial institutions, but that has led in turn to yet more demands for change.

The parallel to that has been that the provinces' increased activity in financial regulation. The provinces have been more active in their imaginative approaches to financial intermediation, both with regard to deposit-taking institutions, that is trust companies, banks and co-operatives, and in the regulation of insurance and other financial activities which were traditionally the preserve of the federal government.

Another factor that has made for increased blurring of distinctions among financial institutions and, hence, increased the pressures for a re-examination of the regulation of financial institutions has been the globalization of financial companies.

We have seen the changes that have been introduced in other countries leading to pressures for change in Canada. I speak not merely of the United States, although the implications of the free trade agreement for financial institutions are many, but also of recent initiatives in Europe which have had the effect of reducing the distinctions among financial institutions. This in turn has contributed to similar pressures in Canada so that Canadian financial institutions can compete internationally on what has been called a level playing field.

I spoke of solvency being one of the primary concerns. Today it remains a concern that all our financial institutions serving the public can guarantee their solvency through good business practices but this leads to the yet more basic question of whether banks should be regulated. The essence of that question is: Do you regulate institutions when institutions are becoming increasingly indistinct, or do you regulate the activity itself? The legislation we have before us today chooses to go mainly along that second route.

We have also seen the standards of competition and efficiency being applied to our financial institutions in terms of whether they are internationally competitive. We have seen questions arise of whether there are more possibilities of conflict of interest in the growing combination of financial institutions. We have seen concern expressed increasingly and, most recently, in the case of the entry of Amex into Canadian banking, about the role of foreign corporations in what hitherto has been largely a Canadian dominated industry.

There is yet a more fundamental question. The relative importance of direct financing through equity markets has declined over the years. There has been greater reliance on financial intermediation through credit from financial institutions such as banks and trust companies. That trend has been increasing. We also saw in Canada a rapid growth in demand in the 1980s for consumer and mortgage loans and a shift by non-financial corporations away from bond and equity financing to bank loans. As I have already noted, the increased level and volatility of inflation and interest rate uncertainty led both borrowers and lenders to turn to shorter term liabilities and assets, providing trust and loan companies with a new competitive niche in the total lending market.

Legislative changes have led to increased competition across traditional institutional lines. The lowering of reserve requirements on banks' term deposits and the removal of ceilings on bank loan rates improved their ability to compete for term deposits. The increased competition in deposit markets forced financial institutions to extend and diversify their range of services.

As I noted a moment ago, all these and other factors, have led to the situation today where Canadians must ask themselves—and the government has raised the question directly by tabling its legislation—which route, and they are not necessarily exclusive, Canada wants to follow with regard to our financial institutions. If the goal is indeed deregulation of financial institutions, we can move toward commercial links. That is to say, through legislation, the government can permit companies to hold upstream financial institutions. You can then have in Canada, as we have seen developing in the last years, a commercial company holding upstream the ownership of a financial institution. That is a relatively new feature of the Canadian financial scene and one which this legislation, to a degree, attempts to address.

The alternative, and again I say it is not necessarily mutually exclusive, is the financial link approach. That is to say, the government can permit downstream holdings of commercial entities by financial institutions, principally the banks. As a result, if the banks were permitted to engage in activities and hold equity in commercial corporations, as they so frequently do in Europe and Japan, then Canada would obviously emerge with institutions not unlike the so-called "universal banks" of Europe.

The merit of such an approach, in the eyes of some, is that it would help guarantee Canadian ownership, not only of our principal financial institutions but also of manufacturing or service industries generally. On the other hand, the price that concerns others is the lack of competition to which that could give rise. The result could be larger and larger Canadian conglomerates, bringing with them misgivings about the limited degree of competition within our economy.

• (1520)

The creation of financial links, that is Canadian banks or trust companies holding equity in commercial corporations, could be argued to be in Canada's basic national interest. The government would then presumably need to consider a type of financial regulation whereby widely held financial institutions, which are at present only the chartered banks, limited as they are to 10 per cent ownership by any one entity, could enter the commercial sector.

Financial links along such lines would undoubtedly ease the evolution toward a credit based rather than a market based financial system. That is to say, commercial entities within our country would seek their financing more from financial institutions than they would from the equity marketplace. Not only would such a trend be compatible with the general thrust of the evolution of money markets world-wide, but it could also give Canada a more long-range and stable element in industrial planning.

Most important, by permitting financial links the government could be instituting one means of keeping Canadian assets in Canadian hands. If the concern among Canadians is that many Canadian assets have for past decades been moving gradually out of Canadian control, then banks, which are by definition widely held, could be a vehicle whereby Canadians could retain a controlling interest in a Canadian commercial institution, rendering it virtually takeover-proof by foreign interests.

Against that speculative background, I want to speak for a moment more about the legislation before us today, recognizing that its emphasis is to take Canada's financial institutions in a direction rather different from that which I have just touched upon. The bill empowers trust companies to a point where in many respects they will be able to compete yet more effectively and pervasively with banks. Well capitalized trust companies will have full consumer and commercial lending powers for the first time, putting them on virtually the same level as our banks.

I believe that it is clause 400 in the legislation that removes the present quality tests and substitutes instead a requirement that a company's investment adhere to a prudent portfolio standard. There is, however, no limit on consumer loans under $250,000 made to individuals. Similarly, subject to the approval of the Superintendent of Financial Institutions, companies with more than $25 million in capital will be free of any restrictions on commercial lending.

The bill permits trust and loan companies to engage in a limited range of non-financial services for the first time or extends their ability to engage in such services: real property management, promotion of goods and services to credit card holders, selling lottery and even urban transit tickets. The principal extension in this bill is opening the way for deposit taking institutions to enter the life insurance business. Here of course is a major

change, a major erosion of the four pillars that we have traditionally known in Canadian financial institutions. For the first time, the possibility is that Canadian deposit taking institutions will be able to participate directly in the insurance business.

The question that I would raise here is: What studies has the government prepared? What has it done in the way of examining the results of insurance companies being in the hands of the deposit taking institutions?

I hope the government would table whatever work it has done in this area, because I have an uneasy feeling that it is not very much. All Canadians would benefit if we could see more information about what work the government has done to determine the public interest in insurance companies being opened to ownership by financial institutions.

I realize that my time is running out. I only want to say in conclusion that the trust companies bill which we have before us also raises the question of limitations of ownership. The banks are subjected to a 10 per cent ownership limit. This bill, however, confirms that commercial entities can own trust companies up to a level of 65 per cent; 35 per cent must be held more widely.

Whether in the view of the Canadian public this is an adequate guarantee of their interests in ensuring probity and good business practices in financial institutions remains a question for further debate in committee. It is a question which will arise again when the next Bank Act revision comes before the House, and indeed when the revisions to the Life Insurance Act come before this House, two further occasions that will give rise to the sort of discussions we are having today. Indeed, until then the present legislation, even if adopted at an early date, will not become effective. I look forward to further discussions on those occasions.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wonder if the member would comment on this particular question. In this bill we have a situation where, as a result of the free trade agreement, Schedule II banks from the United States can come into Canada and do all the things that Schedule A banks can do, that our banks can do. Yet they are not bound by the 10 per cent ownership rule.

Does the member feel that this is an acceptable treatment of a foreigner, treating them one way, which is different from the way the Canadian would be treated?

Mr. MacLaren: Mr. Speaker, the hon. member does indeed put his finger on a major policy flaw in the government's approach to financial institutions. The tip of the iceberg was the approval of the Amex Bank entry into Canada. Here we have a foreign institution, which is not primarily a bank in its domestic jurisdiction, being permitted to act as a bank in Canada when Canadians are denied a similar opportunity.

Whether you think that the commercial entities in Canada should be permitted to own banks is another question, but it remains a remarkable anomaly, not to say a bizarre anomaly, that you permit a foreign non-bank to be a bank in Canada.

I agree with the hon. member that the free trade agreement provisions, whereby Canada has opened the way for American financial activity in Canada to a degree which Canadians do not have in the United States, is patently unfair.

What the government did in the free trade agreement was to offer American financial institutions so-called national treatment in return for the United States offering Canadian financial institutions national treatment in the United States. However, the difference is that in the United States the banks are state regulated, whereas in Canada banks are federally regulated. The result is that American financial institutions are able to participate on a national level in Canada, whereas a Canadian financial institution is restricted, with some qualification, to one state.

I would have thought—and I am sure that the hon. member would agree—that the government, in the free trade agreement, should not have sought national treatment but rather sought greater reciprocity so that Canadian financial institutions operating in the United States could have comparable opportunities to those that American financial institutions do in Canada.

I think the point is quite well taken, but it should be directed to the government.

• (1530)

Mr. Rodriguez: Mr. Speaker, because the hon. member is so knowledgeable in this field, I thought I should follow up with a supplementary question.

Since I know he has read this bill and is familiar with it, is it not possible under this bill—here is where the thing gets even more ludicrous—that a Canadian with lots of bucks can actually go into the United States, buy a bank and then bring that bank into Canada as a Schedule II bank and do all the things that our banks do here, and yet avoid the ownership rule? Is it not possible?

Mr. MacLaren: Mr. Speaker, I do not know whether there are any regulations that would prevent a Canadian citizen from doing that. It is one more anomaly that we have gotten ourselves into not only through our own legislation but also through the free trade agreement with the United States.

The opportunity for the hon. member, myself or for anyone interested in this question—all Canadians should be—to raise it again will occur when the decennial Bank Act is brought before this House.

Recently the government acted to extend for one year the Bank Act beyond its normal decennial period. Whether we shall have that opportunity for further debate before the government changes, I do not know. It is yet another example of the inconsistency of our approach to foreign ownership of Canadian financial institutions.

The hon. member is probably quite right. I suppose on the face of it, there is no reason why, if a well-financed Canadian could buy a U.S. bank, he or she could not come back into Canada as a foreign bank operating in Canada, and do things that he or she, as a Canadian, could not do.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint-Laurent—Cartierville—Visible Minorities; the hon. member for Timmins—Chapleau—Unemployment Insurance; and finally the hon. member for Saint-Léonard—The Economy.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we have the first piece of legislation in front of us with Bill C-83 which makes up the government's package of financial deregulation measures.

This is a package which will include action not just with respect to trust and loan institutions, but also with respect to banks, insurance companies, extension of the Bank Act and a number of other financial institutions which have been of concern to business people. It is not just the business people but communities across this country that have been looking for this package of reforms to our financial institutions for some time.

My own suspicion is that this first piece of legislation is, in fact, put before us in a form which will not in the final analysis represent what the government wishes to have considered for reform in terms of trust and loan companies.

I suspect myself that this has been brought forward in a sense as a promise to financial circles within the country that the government is acting in this area where it has not seemed to be taking action very quickly. We will, in fact, see a package which will include a similar approach to the different financial institutions which will probably include a revised piece of legislation with respect to trust and loan companies.

However, I think that the broad direction which the government is taking with respect to financial institutional reform is fairly clear to see. It is a direction which was set out by the junior finance minister in his comments when this bill was introduced. It is an approach which we have discussed in the finance committee of the House in somewhat more detail in the context of briefings which have been given to us by representatives from the Department of Finance.

The key thrusts of the government's new approach, as the minister laid them out and as they seem to be reflected in the briefings that we have received are, first, that we shall see some quite different ownership rules for financial institutions. There will be a good deal of loosening up of the constraints which have existed in the past, as far as ownership constraints are concerned. We will see, for instance, a loosening up with respect to the involvement of foreigners within our country. We will see, as a consequence of the free trade deal which my colleague mentioned earlier, that United States financial

institutions are treated virtually as if they were Canadian financial institutions. That is going to be one set of new directions.

The second set of new directions is to reduce the barriers which have existed in the past among the various financial institutions in this country. It has not been possible, for instance, for insurance companies to have investments in banks in the past. It has not been possible for banks to have investments in insurance companies. Similarly, trust and loan companies have been given certain specific tasks which they could undertake and they have been told that they could not extend their ownership to other forms of financial institutions, such as securities houses, such as insurance companies and banks. So that is going to change.

Third, there is going to be a set of what the government calls improved prudential rules. What, in fact, are improved prudential rules? They are, essentially, an approach which, as I read it, puts much more self-policing power in the hands of financial institutions themselves. Financial institutions are given the authority and the responsibility to make certain that there is no internal self-dealing. They are given the responsibility to see to it that, for instance, if there is cross-ownership, that that cross-ownership of other financial institutions does not lead to special, competitive advantages as a consequence. I have to say that this self-policing approach is something which we look at with considerable scepticism. Frankly, we are not prepared to condemn it outright at this point, but we will ask some very tough questions as this reform of financial institutions goes forward, because we think it represents an area of serious risk for this country and for the people who put their investments in the various financial institutions.

• (1540)

Finally, the government says that this is an attempt to modernize the company rules which exist for the various financial institutions. By and large, that is not something that provides special difficulties for us. This particular legislation has not been changed since the beginning of the First World War. There are all sorts of potential areas for modernization of company legislation which should be applied to this financial area of jurisdiction within our economy.

That is the government's approach. What about the Liberal Party's approach? You might have thought from listening to the last speaker, who is the trade critic for the Liberal Party that, in fact, the Liberal Party had considerable doubts and was raising considerable questions about this piece of legislation. In fact, the critic responsible for financial institutions for the Liberal Party made it very clear in her comments, when she started debate on behalf of the Liberals, that the Liberal Party favours this piece of legislation.

It is especially interesting to see why this deregulation was favoured by the Liberal Party.

Mr. Fontana: Tell us about your program of nationalizing banks.

Mr. Langdon: We are coming to my program. Do not worry about that. Do not be sensitive. You should be proud of the position which your critic took. The Liberal Party's critic said they favour this bill because globalization is taking place, that world globalization was a new reality, and because of globalization, it is necessary to help Canadian financial institutions to meet tougher competition. That is precisely the sort of message which the government itself sent. So in the crucial area of economic management, as in so many important areas, one finds that the Liberal Party and the Conservative Party stand for essentially the same thing. They both support the deregulation of financial institutions. They both support it for essentially the same reason; because there is globalization taking place and our financial institutions have to become tougher and stronger and have to be better able to fight the rest of the world.

Let me make some points about this approach from both the Conservatives and the Liberals. We should not be prepared to permit the two business-oriented parties in the House of Commons simply to rewrite legislation without a quarrel, without being challenged when that legislation is, in fact, going to be so detrimental, in our view, to many consumers across this country.

Let me suggest, that it is important, for instance, to look very carefully at the fact that since 1980, in less than 10 years, 23 trust and loan companies in the country have been federally chartered. In addition, since 1980, a great number of trust companies have collapsed.

I could go through the list of some of the larger ones just to demonstrate it. The Crown Trust Company collapsed with an estimated loss of $930 million; Fidelity Trust, $791 million; Greymac Trust Company, $240 million; Seaway Trust, $300 million; Pioneer Trust, $201 million; the Columbia Trust, $99 million; the Northwest Trust Company, which collapsed just in 1987, $275 million; and finally, perhaps the most scandalous case of all, the Principal Savings and Trust Company, which collapsed in 1987 with losses of $116 million.

With these kinds of disasters which our trust and loan companies have suffered in recent years, it is not good enough to stand up and say: "We support this legislation", as the Liberals have done. It is not good enough, as the Conservatives have done, to bring forth legislation which leaves it to self-policing to see to it that things will work out well in the future for those who invest in our trust companies.

We also see within this bill absolutely nothing with respect to disclosure of the various service charges of trust and loan companies. In the case of banks, the government says it is going to enforce such disclosure of service payments. But in the case of trust and loan companies, despite quite ambiguous legal advice, the government is not prepared to take the chance, despite the fact that trust and loan companies compete directly against chartered banks in the country. Again, it is not good enough on the part of the Liberals and the Conservatives to say this is an answer, when there is nothing in here about disclosure of service charges.

It seems to us quite clear that this legislation is set up in such a way as to assist financial institutions to take each other over, but to prevent those financial institutions from all-out competition with each other. In other words, this is a bill designed to see to it that the financial institutions involved in this bill have their cake and get to eat it too.

• (1550)

In short, this legislation is going to establish, without question, greater financial monopoly throughout the country. It will not be with this piece of legislation alone, but it will be with the whole package of financial deregulation which the Conservatives are putting into effect and which, so far, the Liberals are supporting. We are going to see greater monopoly control.

We are also going to see a situation established in which all-out competition is not possible. It will not be possible in this approach by the Conservatives and Liberals for financial institutions to compete with each other. In their support for this legislation, we are getting from the Liberals and Conservatives the worst of all possible worlds. Therefore, we intend to oppose this piece of legislation. We intend to raise very tough questions in committee and we intend to see to it that this legislation is given the kind of scrutiny which eventually gives Canadian consumers across the country a sense of real competition amongst their financial institutions.

We also intend to see to it that there is real security given to those people who invest in our banks and our trust and loan companies so that we do not have, as we have had since 1980, a total of almost $5 billion in losses on the part of our banks and our trust and loan companies. Consumers deserve competition to give them protection and investors deserve serious regulation to give them protection as well.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I was quite impressed by the ability of our debator to wait until the last 30 seconds to give us an opportunity to understand the issues that he wanted to address in the debate. I am impressed that he was able to repeat what members from my caucus, over the course of the debate on Bill C-83, have indicated are very essential elements of rectifying the legislation before us. That is, ensuring that there is security of deposits for depositors, that there is better service available to those who are going to be dependent on the financial service sector, and that there will be an opportunity to enhance the ability of all those pillars to compete on the domestic front and on the international front.

One of the questions I would ask the hon. member for Essex—Windsor this. Does he not think that it diminishes the import of those very basic and solid principles by distracting not only the House, but all those who would want to understand better the flow of debate on this very important legislation? He has trivialized the discussion and made references to incomplete statements that he picks and chooses from debate of members on both sides of the House.

His major concern with respect to this legislation is not that we can bring it forward to committee, analyse it, dissect it, critique it, and bring forward the appropriate amendments to make it something that Canadians can feel comfortable with. In fact, his big concern is that the

Liberal Party has made the kind of recommendations that cause him some consternation and, in fact, that the Liberal Party might be in a position to present the kinds of amendments that he would so dearly love to support.

Mr. Langdon: Mr. Speaker, the Liberals get themselves into this problem so often. Their official position before they start debate is that they support the bill. They think it is a good thing, and it is because of international competition. Their critic gets up and says so. We get up and make our criticisms and comments, as my colleague who is responsible for financial institutions made in his original speech. Then the Liberals start to back-track and say: "Gee, we forgot about some key elements here. We had better flip through this bill really carefully and see if Rodriguez was right." In fact of course, as usual, my colleague from Nickel Belt was right, because he and I have been at the finance committee. We have been working quite hard trying, right from the ground up, to improve the approach that the government has taken.

I certainly hope very much that the Liberals will come forward and make some amendments. Frankly, they have put themselves in a difficult position through the fact that their critic got up and said that they favoured this bill. In favouring this bill, they make it quite clear that, as I suggested in my comments, the parties that are oriented to big business in the country both feel supportive of this legislation.

Well, we make no apologies for not being supportive of this bill. Our critic said that when he got up to speak and it has been the position of our caucus right from our analysis of the bill itself.

If it is possible to improve the bill in committee, of course that is useful. As I suggested and as the trade critic of the Liberal Party agreed, this piece of legislation before us is in all probability just a stalking horse. It is just a preliminary piece of legislation to tell the financial community: "Don't worry, guys. There is something coming that will cover the whole range of institutions."

Let us talk about the whole range of institutions. Let us see to it that we get it right. Let us not accept a faulty approach which is going to leave consumers unprotected and those who invest in these institutions without the security which good solid regulation would give them. That is why we are against this bill and we will fight it at this stage of second reading.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, after listening to my colleague present such an excellent expose of the bill and, of course, clearly repeating the line that the New Democratic Party has taken about its concerns on Bill C-83, I want to ask him this particular question.

In this bill the government is finally going to put into effect regulations, rules, a law concerning bank service charges. Lo and behold, trust and loan companies are going to be allowed to act and perform like banks. Yet, Bill C-83 is unable to impose on trust and loan companies such a pussy-cat proposal as envisaged in Bill C-9 on the trust and loan companies. The government is using weasel words like: "Well, we can't impose these bank service charge rules on trust and loan companies because they are in another jurisdiction."

What confidence does that inspire in consumers? In fact, trust companies and loan companies can draw on the CDIC, which is the Canada Deposit Insurance Corporation. Most of those who have drawn from that have been trust companies because those are the ones that have gone belly up. Yet, we cannot say to trust companies: "You jolly well will be subject to the bank service charges legislation if you want to continue to participate in the CDIC." Where is the logic?

• (1600)

An hon. member: There is none.

Mr. Langdon: Mr. Speaker, I think that my colleague has picked up an important point which both he and I made earlier in our speeches.

That is both the Conservatives and the Liberals are supporting legislation which does not follow any logic. There is a complete lack of logic to say that banks and trust and loan companies on the one hand should be able to compete better against each other and they should be able to buy each other out to a certain degree.

Yet, on the other hand, to say we will have disclosure rules with respect to service charges or banks, but we will not have disclosure rules with respect to trust and loan companies, is illogical.

It is even more illogical than that because the government has seen fit to say that it will enforce disclosure rules with respect to interest rates on the trust and loan companies. It will not enforce those disclosure rules on what are often substitutes for interest levies, that is the service charges which trust and loan companies levy just as banks levy.

There has to be a logic to this legislation if it is to be accepted by this House and by this country. Otherwise, we will see more and more bank, loan and trust company collapses of the kind that this government across the aisle has seen take place under its jurisdiction and which the Liberals saw take place under their jurisdiction prior to 1984.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I thank the hon. members across the way for this tremendous vote of confidence which they just gave me, all two of them.

It is interesting that we should be talking partly about bank service charges because I just said to the hon. member for Nickel Belt that the way the banks are going, you can hardly walk by the outside of a bank these days without having a service charge debited to your account.

I grew up at a time when we still believed, at least the popular mythology was, that the banks were there to serve the public. There were these respectable dour institutions that Stephen Leacock made famous and which was later turned into an animated film of people going into the bank and being very respectful.

Now, of course, those of us who still go in and try to have some genuine human relationship instead of going to a machine are forced to pay for every time that we do this. Of course, they will set up a chequing account and then you are not charged for writing cheques, but you are charged for the cheques.

In the end, what it amounts to is that somehow they get you. Somehow you are paying for everything that allegedly the bank is doing for you. You are in fact paying for it.

In my riding, there was a branch of the Toronto–Dominion Bank at the Kern Park Shopping Centre which served the entire east end of Transcona. It was there for years, since the houses started to go up in that end of town. It not only shut that down, but the main branch in the town of Transcona lost the commercial banking which was shoved miles down the highway around to Kildonán Place shopping centre.

Now all the merchants in that place, used to dealing with that bank for years and years, are being forced to travel a great distance in order to serve the convenience of the bank. I am told it is not working out that well, which is good, and it may be that they might move back. Hopefully they will reopen the branch at Kern Park but they have not done that so far. All they have set up is some kind of remote teller, I am told, which is really handy for senior citizens to have to stand at some remote teller out in 40 below temperatures in the winter trying to figure out which buttons to push.

This is the kind of service we have been getting from the banks lately. It does not surprise me, therefore, that Canadians are not as disturbed as they should be when they hear that perhaps the government will be allowing others to enter more and more into the kind of services that banks provide.

There is a concern there, as members from Nickel Belt and Essex—Windsor have pointed out. If you are going to have institutions like trust and loan companies behaving like banks, they ought to be regulated like banks, which is a point that the banks make as well and something that certainly has a certain amount of internal coherence to it as an argument.

I think one of the things that we should be concerned about here as we enter into this first in a series, as I understand it, of bills having to do with the deregulation of the financial institutional sector is that this government has learned absolutely nothing about the effects of deregulation. It is embarrassing as a Canadian to have this sort of mimicking of what goes on in the United States happening all the time in Canada. You know, whatever was the fad 10 years ago in the United States, give it enough time and it becomes the fad here.

That would be bad enough, except that generally just as the fad is catching on here, the Americans are catching on that what we are about to imitate is not working. This is true of airline deregulation, and it is also

true of financial deregulation, not to mention a few other sectors that have been deregulated. I will resist the temptation to go on about rail deregulation.

The fact of the matter is that in the United States where this kind of deregulation has already taken place, we have seen the result. The savings and loans scandal has robbed hundreds of thousands of ordinary American citizens of their savings, of their life's work so to speak, as a result of the government eliminating by legislation their responsibility to ensure that companies into which ordinary Americans, in our case Canadians, entrust their savings, that the companies act in a way that does not put at risk those savings. Yet that is just the kind of thing through deregulation that the government is now contemplating in its own way.

The same thing has happened with airline deregulation. Airline deregulation has not been what it was touted to be. It has resulted in less public safety. It has resulted in worse service for a great many cities and regions of the United States. Yet we are imitating that in Canada. Soon we are going to find that airline deregulation did not result in increased competition and all of the things that have been said for it. We are going to end up with one airline with a monopoly over everything. They have learned nothing.

They have learned nothing from airline deregulation, they have learned nothing about the extent to which deregulation is not the panacea that so many people make it out to be, that it does not lead to this sort of orgy of competition that benefits the consumers. What it does lead to is an orgy of shenanigans between one institution and another, between various kinds of corporate monkeys who find various ways to screw the public and line their own pockets. That is what deregulation amounts to. It is an abdication of the government's responsibility to ensure that if we are going to have a marketplace society, that market operates in certain ways and operates in ways which protect Canadians who would trust their savings to those particular institutions. We do not want to be right about this, just as we did not want to be right about airlines deregulation and about rail deregulation, that it would mean a decrease rather than an increase in rail traffic. But it has meant a decrease in rail traffic because deregulation has lead to the increased use of trucks and this has environmental and public safety consequences.

• (1610)

Right now, near my riding, at Symington yard, you could fire a cannon through those marshalling yards and not be worried about hitting a boxcar because of the continuous erosion, policy-driven by this government, of the use of rail to move products in this country.

We see this result; it was predictable. We are predicting here today that deregulation of financial institutions will lead to some comparable disaster down the road for the public. It is not predictable in its detail but predictable in its certainty that someday we will rue the fact that the government has embarked on this abdication of responsibility. It is not complete abdication; there are rules and regulations and there are new rules and regulations but it is part of a process, part of an over-all philosophy on the part of this government, which says: "We trust the private sector. Those nice fellows out there would never put at risk the savings of senior citizens. They would never put at risk the financial well-being of ordinary Canadian families. They are a good bunch of guys; we do not have to watch them; they will police themselves".

This kind of naivety, and one is never sure whether it is naivety or deliberate, contrived stupidity, is the kind of thing that gets a lot of Canadians into trouble because they still trust that the government feels some residual responsibility for their financial well-being and that it would not allow banks, trust companies, and loan companies to really rip them off or to really put at risk their savings.

That trust is misplaced. It was trust that was misplaced to the extent that there were Canadians who trusted this government not to cut a bad deal with the United States over the Canada-U.S. Free Trade Agreement. Trust was misplaced in a variety of other ways where Canadians could not really bring themselves to believe that any, duly elected, Canadian government would actually sell them down the river. And yet, that is exactly what happened with the Canada-U.S. Free Trade Agreement. That is what has happened with airline deregulation and, in particular, in smaller towns and cities which now have less service and inferior service to what they had before. And it is certainly true with respect to transportation deregulation as a whole and the way in which our highways are now being clogged by more and more trucks. Just the other day, Mr. Speaker, I was on my way

to the airport and a truck went by which was almost as long as a train. It had two units.

I see the hon. member for Winnipeg South Centre in the House. He was the Minister of Transport who started this awful trend back when the Liberals were in power in 1984. They began, with great fanfare and great hope, the era of transport deregulation. What do we see now when we read the Auditor General's report? The Auditor General says that the government was not ready for deregulation and that it has led to all kinds of problems in airports and in other places.

The same thing is true here. We are going to have deregulation because of an ideological fixation about deregulation and we are not going to be ready for it. The government is not willing to anticipate all the problems that deregulation will bring, because to anticipate those problems would be to have a critical consciousness about what it was actually doing. That is something of which this government has so far been incapable, particularly with respect to anything that fits its ideological obsessions.

Mr. Speaker, as you can see, we have a great many concerns about this particular piece of legislation. I am sure that hon. members of my party will have a heyday in committee, exposing all the ways in which this bill inadequately addresses the possibilities for putting at risk the savings and the financial benefits that many Canadians now have locked up in these various financial institutions. I hope that the government, for once, will listen. I hope that the government will listen to the concerns of the public. I have noticed that it listened to the concerns of some of the public, that it has not permitted the banks actually to sell insurance on the premises.

I remember when the insurance agencies were very concerned about this. It was the only time in my life I ever heard from the insurance agencies. Normally they are not a great pool of NDP supporters, although there are a few I know who actually do support me, but generally speaking they are not exactly what one would call an NDP constituency. They certainly came a-knocking when it looked like the banks were going to be given the opportunity to sell insurance over the counter.

The banks are going to be entitled to own insurance companies; the same with the car dealers. Again, there is not a great pool of socialists out there on the used and new car lots of the country, but they also came a-knocking when it looked like the banks were going to be able to lease cars directly, which this bill does not permit. But it does permit a certain kind of leasing.

In both cases the foot is in the door. In both cases the banks have received what they wanted and are well on their way to the one-stop shopping for various financial services that they wanted to get. I think that is regrettable because, if we are going to have a competitive financial sector, we should not have departed from the traditional four pillars of the financial sector in this country and allowed them all to collapse into each other, and particularly allowed them to collapse into each other in a way that will permit more foreign ownership.

I was interested in the question that the hon. member for Nickel Belt posed to the Liberal member of Parliament who was speaking.

Mr. Rodriguez: Liberal banker.

Mr. Blaikie: The Liberal banker who was speaking, that great Liberal who is actually—

Mr. Rodriguez: A Tory.

Mr. Blaikie: A Tory who is more at home in terms of financial policy with the government. This is not a secret. This is well known to all, except perhaps the hon. member who continues to be a Liberal in spite of himself. That is not unusual, is it, for Liberals? They are able to swallow not just any sort of twist or manipulation.

Mr. Rodriguez: Themselves.

Mr. Blaikie: They are also able to swallow themselves entirely on occasion, as the leader of the Liberal Party recently did on the GST.

The question, though, that was asked was: Could Canadians, who would not be permitted to do something as Canadians, do something if they were able to disguise themselves as Americans? By buying an American financial institution they would be able to do things in Canada, because it was American, that they would not be allowed to do if that same kind of institution was Canadian owned. What was the answer? Yes.

This is a very strange form of national treatment. National treatment generally means that you will treat someone from another country the same way that you would treat your own nations. What we find in this anomaly is not national treatment, but discrimination in favour of non-nationals so that people can do things in

Canada, if somehow they cannot be Canadian, which they could not do if they were Canadian.

This takes the special relationship that the Prime Minister promised that he would establish with the United States of America when he was elected in 1984 to new heights or depths, depending on your interpretation. What is not possible for Canadians will be possible for Canadians if somehow they have enough money to buy an American company to do in Canada what they would not be able to do if they had a Canadian company which was the very same.

Obviously there are a lot of problems with this deregulation initiative at the philosophical level. The fact is that the government seems to have learned nothing from the empty promises of deregulation which we have seen unfulfilled in other areas. I am sure some very real problems of detail, policy and regulations will be uncovered and, I hope, addressed adequately in committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the hon. member who has just spoken did his usual rant and rave routine about this particular piece of legislation.

I was amused to hear him because, after all, if he had been here to hear the hon. member for Kamloops in his very reasoned exposé on this particular piece, I think he would have been surprised to see the number of points of disagreement. I will not go into the details of that, but I will put to him the question I put to the hon. member for Kamloops. Perhaps he is more familiar with his party's policy book than his party's House leader. The hon. member for Kamloops was unable to be specific on this point, and I am hoping the hon. member will be. I understood that as opposed to the idea of regulating banks, it had been the policy of the New Democratic Party to wish to nationalize banks.

• (1620)

Mr. Epp: I thought it was to abolish them.

Mr. Milliken: No, no, they did not want to abolish them. The minister says he thinks it was to abolish them. No, they do not want to abolish banks; they want to nationalize banks. They want to take them over and make them instruments of state policy. This has been their policy for many years. I remember reading about it when I was a school boy. I understand that it has been their policy for wellnigh 50 or 60 years. I do not know how long. Perhaps the hon. member could illumine us on that too.

The hon. member for Kamloops told us this morning that this policy had been ditched. Like their policy on the Senate they had seen the light and, instead of getting rid of the Senate, they now want to save the Senate. Instead of seizing the banks and nationalizing them, they now want to regulate them.

I was told by the hon. member for Kamloops this morning that in fact the NDP policy did change in this regard. It now favours regulation of banks, not nationalization. I wonder if the hon. member could tell us when this policy was changed. At which convention and on which date? I have not seen the evidence of the change. I do not recall reading it.

My recollection is that the policy has simply been suppressed in order to make the New Democratic Party more palatable to more voters. While I am delighted to see that happen, given the party depends so heavily on its claim that it is a very democratic institution responding to the will of its members, I would like to know when the members in a convention changed this policy of nationalization, scrapped it, and came up with this policy of regulation, which incidentally has been Liberal policy consistently for over 50 years.

Mr. Blaikie: Mr. Speaker, it is curious to hear a Liberal get up and talk about Liberal policy, because I have never been able to determine that there is any such thing. Unlike the New Democratic Party, the Liberals never have policy conventions. Every 10 years they have a policy convention whether or not they want to because it seems like a good idea in terms of public relations. The policy debates and conclusions, if they manage to come to any conclusions, are never binding on the caucus. They are not binding on the leader. They are just sort of like stimulating little events that Liberal members of Parliament go to once a decade whether or not they want to. I do not think we have to take anything from the Liberal Party in terms of how our party works.

Mr. Simmons: I rise on a point of order, Mr. Speaker. One of the clear rules that the member must observe is that he cannot mislead the House. He has just misled the House.

His leader is going around the country telling the people of Canada she is against Hibernia and she goes to Newfoundland and says she is really for it. They have no policy. They are on both sides of every policy.

He should not mislead the House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I do not think this is a point of order. The hon. member for Winnipeg Transcona.

[*English*]

Mr. Blaikie: For the life of me, Mr. Speaker, I cannot remember saying a word about Hibernia.

Mr. Simmons: You said you had policies.

Mr. Blaikie: I guess the hon. member must have been watching an entirely different program when he was out in the lobby.

Mr. Rodriguez: He woke up.

Mr. Blaikie: He came rushing in here thinking that I had said something that I had not said at all. I recommend to him that if he wants to come down here and make spurious points of order, he should at least be on the right channel when he comes in here.

Mr. Simmons: Mr. Speaker, the hon. member for Winnipeg Transcona is absolutely right. I abjectly apologize to him. He did not say they had a new policy. On that he is absolutely right. They have no policy. They have two contradictory policies on everything including Hibernia.

Mr. Blaikie: Mr. Speaker, we do not have two policies on Hibernia. We voted against Hibernia. When the Leader of the New Democratic Party was in Newfoundland, she said the same thing about Hibernia that we have said in this House, that it is not a good deal for the people of Newfoundland. That is why we did not vote for it. We make no apologies for not voting for it. The people of Newfoundland will come to see in short order that it does not contain the benefits for the people of Newfoundland that the hon. member has been sucked into believing by the people on the other side.

Somehow the hon. member for Burin—St. George's has been taken in by the hon. member for Provencher, the two of them now make a pair defending Hibernia. This only goes to prove my point that there really is no difference between the government and the Official Opposition. When it comes to major economic decisions like Hibernia, they all believe in the same sort of thing: giving hundreds of millions of dollars to the corporations to develop the country, to make sure the only true benefactors of these megaprojects continue to be the oil corporations and others who are always involved somewhere at the trough when it comes to these kinds of megaprojects.

Mr. Epp: Mr. Speaker, I rise on a point of order. I did not think we were discussing Hibernia this afternoon. I want to tell the hon. member that in the place they now support, namely the other place, Hibernia will be approved at five minutes to this hour. I invite the hon. member not only to support the Senate at that time but also to support Hibernia.

Mr. Blaikie: Mr. Speaker, it may indeed be approved in the Senate. It certainly has not been improved in the Senate. This does not change our position with respect to Hibernia. What happens in the other place has not, for that matter, changed our position with respect to the current Senate. We believe that it should be abolished.

Some hon. members: Hear, hear.

Mr. Blaikie: I just wish it was a position that Conservatives had held over the years. All of a sudden everybody over there is for abolishing the Senate. It is too bad that they did not join with the NDP, and before that the CCF, when we were calling for the abolition of the Senate over the years. Before it was a place for retired Tory hacks and flacks in the majority it was a place for retired Liberal hacks and flacks. If anything comes out of this current crisis in the Senate, perhaps it will be new momentum toward Senate abolition or reform.

Perhaps I could answer the question which was put before I was so rudely interrupted by a colleague of the very person who asked me the question. I am interested that the member for Kingston and the Islands finds the whole idea of public ownership so reprehensible. Perhaps that would explain why his party has been so wimpish on the idea of privatizing Petro-Canada.

Is that why they hardly raised a stink at all about the privatization of Petro-Canada? In their heart of hearts those things which have come under public ownership in this country, like Petro-Canada, have come under public ownership against the real wishes of members of the Liberal Party of Canada. We see them now using the opportunity to get up and denigrate the idea of Canadians owning something like a major oil corporation or a major bank.

We already own the Bank of Canada. Is the member saying that we should privatize the Bank of Canada? Is that what he is saying?

Mr. Worthy: Mr. Speaker, would you check to see if there is unanimous consent in the House to have this bill referred to the finance committee rather than to the legislative committee?

• (1630)

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the bill to be read a second time and referred to the Standing Committee on Finance?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance.

* * *

ROYAL ASSENT

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

6 November 1990

Mr. Speaker,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to day, the 6th day of November, 1990, at 5:15 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Judith A. LaRocque
Secretary to the Governor General

[*English*]

Mr. Cooper: Mr. Speaker, there have been discussions with the other parties and there is a clear indication to call it five o'clock at this point. However, I think it may take us a few minutes to get everything cranked up for Private Members' Business and so maybe we can suspend to the call of the Chair. As soon as we have the members available for Private Members' Business we can continue at that time.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to suspend the sitting of the House during pleasure?

Some hon. members: Agreed.

At 4.33 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 4.37 p.m..

The Acting Speaker (Mr. DeBlois): Order, please! With unanimous consent, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBER'S BUSINESS—MOTIONS

[*Translation*]

CHARLOTTETOWN CONFERENCE

ONE HUNDRED AND TWENTY-FIFTH ANNIVERSARY

The House resumed, from October 11, consideration of the motion of Mr. Proud:

That in the opinion of this House, the city of Charlottetown, Prince Edward Island should be designated as the "Birthplace of Canada" to mark the one hundred and twenty-fifth anniversary of the 1864 Charlottetown Conference of the Fathers of Confederation.

And on the amendment of Mr. MacAulay:

That the motion be amended by deleting the words "Birthplace of Canada" and substituting the following therefor:

"Birthplace of Confederation".

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, I welcome this opportunity to support the motion by the hon. member for Hillsborough, as amended to emphasize that Charlottetown should be recognized as the birthplace of Confederation and not of Canada.

As you know, Mr. Speaker, this initiative is intended to mark the one hundred and twenty-fifth anniversary of the 1864 Charlottetown Conference.

I have no quarrel with providing an official designation to mark the events that took place in this city in September 1864. The importance of the decisions that were made and their impact on our common destiny should be recognized by all Canadians.

However, we must not forget that Upper and Lower Canada were founded in 1791, nearly a century before the Charlottetown Conference. In fact, well before that date, the word "Canada" had been used by Jacques Cartier when on August 13, 1535, two young Indians in his company told him how to get to "Canada"; they were referring to the village of Stadacona, on the present site of Quebec City.

• (1640)

In fact, if we read official correspondence at the time, we find that the name Canada was synonymous with New France. However, in 1763, Great Britain dropped the name New France, using the designation Province of Quebec instead. The fact remains, however, that Canada designated, first of all, a geographic area washed by the waters of the St. Lawrence.

Canada was designated as such by the Constitutional Act, 1791. A considerably larger Quebec was divided into the provinces of Lower Canada and Upper Canada. In 1841, the two provinces were united as the Province of Canada. You will agree this was well before 1864.

Mr. Speaker, I add these few details because I want to give Quebec the place it deserves—its true status as the birthplace of Canada.

The Charlottetown Conference was indeed a crucial moment in our history. It acted as a catalyst, uniting strong forces that until then had been active, but in isolation, in the colonies of British North America.

It was a first step toward building a modern nation and ultimately, led to its gradual expansion from coast to coast.

When on September 1, 1864, Charlottetown welcomed representatives of the United Province to the conference, it opened the way to union with the other colonies of British North America. A month later, this new spirit of co-operation was further expressed at the Quebec Conference, where those who would henceforth be called the Fathers of Confederation continued the work begun in Charlottetown.

They agreed on 72 resolutions, the so-called Quebec resolutions, which would form the basis for a union that would be officially recognized on July 1, 1867, by the British North America Act.

However, Mr. Speaker, without those initial steps in Charlottetown, subsequent developments would never have been possible. I am therefore pleased to support a proposal to designate Charlottetown as the birthplace of Confederation. Thanks to the federative pact that came out of this conference, Canada, after having been first a French and then a British colony, was able to become the vast country that has aroused the admiration of so many people throughout the world.

Perhaps I may quote a comment by U.S. historian S.E. Morrison, who said that never since the Roman Empire had local designations expanded so far beyond their original territory as did Canada and the St. Lawrence.

In 1989, we celebrated the anniversary of the conference where the foundation of Confederation was laid. Charlottetown has every reason to be proud of giving birth to a political and administrative superstructure, to which each member freely agreed to belong.

As the birthplace of Confederation, Charlottetown will remind us of the seeds of unity it sowed in our common history.

Although the capital of Prince Edward Island belongs above all to its inhabitants, in a broader sense it also belongs to all Canadians. That is why, Mr. Speaker, we want to stress its historical value, and I also think it would be a good opportunity to recall the principles that formed and continue to form the basis of our evolution as a nation.

Briefly, they can be identified as follows: liberty, diversity and solidarity.

Liberty first of all, because, as I said earlier, today's Canada was born of a union that was entered into by free agents. In 1864 as in 1867, every member of that union believed, and history has borne this out, that they were right to do what they did and that united they would be strong.

Diversity—and I think it is appropriate to remember this, Mr. Speaker—because the British North America Act recognized the distinct identity of Quebec society by creating its own territory and recognizing its Civil Code, its language and its religion.

Finally, solidarity, because it and it alone has ensured that liberty and diversity have become a fact of life in Canada. Without the spirit of solidarity that inspired our ancestors, Canada would not have been able to deal as effectively with the problems it faced at the time. Although today's challenges may be different, I am sure that a belief in the principles established by the Fathers of Confederation will help us meet these challenges as well.

We Canadians, as human beings and with our legacy of diversity, have forged common traits and common values that today form the very essence of our national identity. Liberty, diversity and solidarity—sharing good times and bad, glory and despair, joy and sorrow.

I think this permanent commemoration of the 125th anniversary of the Charlottetown Conference of the Fathers of Confederation would be a good way to remember its guiding principles. That is why, Mr. Speaker, I am prepared to reiterate my support for this proposal to designate Charlottetown as the birthplace of Confederation, because this city has played an important role, both tangible and symbolic, in this great adventure we call Canada.

[*English*]

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I take very great pleasure in the opportunity to speak on this private members' motion of the hon. member from Prince Edward Island. Coming from New Brunswick, a sister province of Prince Edward Island and one of those provinces which joined with Prince Edward Island and the rest of Canada in 1864 to talk about the idea of Confederation, I am particularly honoured tonight to participate in the debate on this resolution to pay tribute to Charlottetown as the birthplace of Confederation. It is with great pride that I stand before my colleagues to say a few words about the events that led to the birth of our nation.

Coincidentally, I am told that it was on this date, November 6, 1867, that Canada's Parliament was convened in session for the very first time. It is a particularly significant afternoon.

To remember our past is no mere exercise in nostalgia. It is a way of understanding who we are as a people and where we are going. I am reminded of the words of Canon Lionel Groulx, the prominent historian from Montreal, who wrote: "A nation cannot separate itself from its past any more than a river can separate itself from its source. No generation is self-sufficient."

It is good and it is important to take a long-range view of Canada. We should realize that the constitutional discussions of 1990 arise from the vibrant passages from our history books. Their origins lie in those very first exercises in consensus building conducted by the Fathers of Confederation almost 125 years ago.

• (1650)

What happened in those early days of Confederation and what is happening now are part of a continuum in all parts of an ongoing effort to work through our differences and to find mutually acceptable systems of federalism for all communities of Canada. It is part of the process of defining ourselves and of developing a national identity for this dynamic young country of ours.

Let us hope and pray that the Citizens' Forum on Canada's Future, created by the Prime Minister last week, will be truly successful in its mission to rekindle the vision of a strongly united Canada in the minds of all Canadians as we proceed on our historic constitutional journey in the months that lie ahead.

As others have said, the Fathers of Confederation had to establish the basis for a national identity that would encompass divergent interests and needs. They were successful, but they could only begin the task. It was up to future generations such as ours to continue to build on the past and to shape the nation of their dreams and the nation of our dreams. That process is far from over.

As we have known in recent years and months, there has been pain and discord, and there remains much healing to do because of the often painful emotions which have been stirred in the heat of debate. Nevertheless, I believe that we will come out of this process much stronger and much more committed in all ways than ever to staying together as a united Canada.

Yes, we Canadians do have our differences from coast to coast, from region to region, from culture to culture, and from language to language. And, yes, we sometimes argue and we debate vigorously about those differences. And, yes, sometimes we find the ties that bind are either too tight or too loose. But the longer we stay together, the more, I believe, we appreciate what we can gain through this great Canadian experiment; this marriage of provinces, territories and regions; and this embracing of two official languages and so many cultures.

The motion before us today to honour the role of Charlottetown in the Canadian nation has great merit. Such recognition is important, not only to Charlottetown, and not just to Prince Edward Island, but to all of Canada. To pass this motion will help us to celebrate the great achievement of nationhood which we enjoy, and it will help to guide us toward a better understanding of our origins.

I agree with my colleagues who have said that we must take care to be correct about the wording. If we were merely to say that Charlottetown is the birthplace of Canada, we would be losing sight of some very important historical facts. The term "Canada" was long in use before 1864 when the the Charlottetown Conference brought colonial representatives together to discuss the idea of a federation of British North America which has become Canada.

[*Translation*]

Mr. Speaker, in the 16th century the word "Canada" was used as a synonym to describe France's colonies in New France. Explorer Jacques Cartier even referred to the St. Lawrence River as the river of Canada. The first Canada therefore was a French Canada, and the foundations of this nation were laid mostly by French-speaking settlers.

[*English*]

Our Canadian nation actually took root in the soil of Quebec. Later, the Constitutional Act of 1791 created two political entities bearing the name Canada. These entities, Upper and Lower Canada, were the origins of the modern provinces of Ontario and Quebec.

In 1841, as you know, Mr. Speaker, the two entities were joined for a few decades into one province of Canada. It was a delegation from that province which met with the maritime representatives in Charlottetown in 1864 to propose the idea of a federation. In fact, originally the Charlottetown Conference was only to consider a union between Prince Edward Island, Nova Scotia and New Brunswick, my own home province. The government of the Province of Canada at that time asked permission to send representatives to that meeting. It then put forward its proposal for a larger union.

The practical details of the union were hammered out a month later at a conference in Quebec City. This meeting agreed to 72 resolutions, known as the Quebec Resolutions, which became the basis of the statute that would unite some of the British North American provinces into the confederation called Canada.

The vision presented was of a new nation from sea to sea, one of great national wealth and potential. It would offer both the security of a federal parliamentary system and the autonomy over provincial affairs. It would give the people of Quebec more control over language and education, and would recognize Quebec's separate legal system, the civil code, which remains in practice in that province today.

At the very time that our U.S. neighbours were engaged in a bloody civil war, our founding communities were seeking the peaceful road to union. They were reaching out to one another in a spirit of compromise, generosity and trust. Can we do less today?

Embedded in our first constitutional document was recognition of the distinct nature of Quebec. We continue to respect the original pact with Quebecers in Canada and we seek to strengthen its meaning in today's circumstances.

Being precise about the details of history helps to remind us how much we really are a blend of different cultures and traditions and how much we owe to both the French and the English-speaking elements of our roots.

I want to support the amended motion that Charlottetown be designated the birthplace of Confederation. Not only was Charlottetown the host city for the Fathers of Confederation in 1864, but it also contains the original building in which the leaders met. Its restored sector beautifully preserves the atmosphere of those times.

Just last year, Prince Edward Islanders celebrated the 125th anniversary of the 1864 Conference with festivals, exhibitions, and theatre productions. Although that anniversary year is over, it is still important to keep the memory of 1864 alive. We must ensure that Canadians do remember those first crucial steps toward the formation of our country, particularly as we draw closer to 1992 which will be the 125th anniversary of our Confederation. It will certainly be a great occasion for celebration all across Canada.

We have much to celebrate. We have created something great here on this continent. Our different cultures and communities have maintained their distinct identities while enriching one another.

[*Translation*]

The union of French and English Canada was the basis of the vision of a tolerant, humane, generous, forward-looking and open Canada. Of course we did not quite achieve all these goals. Indeed we have covered a lot of ground since that first pathetic debate at Charlottetown, but we still have a long way to go.

[*English*]

In closing, it is up to all Canadians to continue the work of reaching out to one another and building a new climate of trust and understanding that can only come from faith and goodwill of every citizen of the country. A nation is based on much more than a constitution. It is based on a sense of community. We, in the House, have a special responsibility. We must all work in our respective constituencies to heal the wounds, to spread the message of hope, to strengthen the trust, and to ensure the future unity of this great country, Canada.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am most pleased to stand in the House today and speak to Private Members' Motion No. 498, as put forward by my honourable colleague, the hon. member for Hillsborough, and amended by another hon. colleague, the hon. member for Cardigan.

The motion reads, and I quote:

> That in the opinion of this House, the city of Charlottetown, Prince Edward Island should be designated as the "Birthplace of Canada" to mark the one hundred and twenty-fifth anniversary of the 1864 Charlottetown Conference of the Fathers of Confederation.

One might ask why I, the member of Parliament for Nepean, Ontario would be speaking on this motion today. Prince Edward Island is my birthplace. As a native islander—I was born in Summerside, Prince Edward Island—as the daughter of a North Bedeque potato farmer, as the descendant of ancestors who arrived on the island in the year 1779, as a former student of Prince of Wales College in Charlottetown, and as an expatriate sister of two brothers and a sister still residing on the island, I feel more than qualified, and especially honoured, to speak to this motion.

• (1700)

P.E.I. is probably one of the most unique provinces of Canada. It has never lost its sense of history. There is tremendous pride in its heritage and its residents have gone to great lengths to preserve this heritage. However, there is one stone that has been left unturned and that is the purpose of the motion before us here this afternoon.

Mr. Speaker, I will make note here that my research material has been taken largely from historical documents written by Reverend Francis W. P. Bolger, PhD., St. Dunstan's University, Charlottetown, Prince Edward Island.

In the Legislative Council Chamber in the Provincial Building in Charlottetown on September 8, 1864, the guest speaker concluded his speech to conference delegates by saying:

> I believe, from all that I can learn that the Provinces will, ere long, be one great country or nation, from the Pacific to the Atlantic. Never before was there such an important meeting as this held in the history of British America; and it may yet be said that here, in little Prince Edward Island, was that union formed which has produced one of the greatest nations on the face of God's earth.

Fifty years later, the government of the day erected a bronze tablet in commemoration of Confederation, on which was engraved:

> Unity is strength. In the hearts and minds of the delegates who assembled in this room on September 1, 1864, was born the Dominion of Canada. Providence being their guide, they built better than they knew.

Listen to the words and think of those words that were used: "Provinces will be one great nation".

This was said way back in those years, Mr. Speaker.

They said: "The Union has produced one of the greatest nations on earth". They also said: "Unity is strength". We need to reflect on those words today.

At a time in our history when some are questioning Canada as a federation, I believe it is time to renew our vows, so to say, as a nation; Motion M–498 will do just that.

In April 1864, the three maritime provinces met with the idea that a union of the three would be beneficial to all.

Interestingly enough it was P.E.I. which opposed such a union as it was feared they might lose their independence.

However, they did take the initiative to explore whether the "Canadian" delegation—and the Canadian delegation was referred to by the member for Fredericton—Upper Canada and Lower Canada, would meet with the maritime premiers to determine if a union of the whole of the British North American provinces was feasible. It was agreed that there would be a meeting and Charlottetown was chosen as the location.

The Charlottetown Conference opened on September 1, 1884. John A. Macdonald made a long speech in favour of the union.

The "Canadians" were indifferent as to whether the maritimes entered individually or as a unit.

The shelving of the maritime union actually happened during the conference and this in turn helped the cause of Confederation.

A very important result of the conference was that it was unanimously agreed that a federal union of all of the British North American provinces would be advantageous if it could be based upon principles that were just and equitable to the several provinces. I think that holds true today, Mr. Speaker.

The delegates went so far as to agree provisionally on certain principles which should be incorporated into the larger plan. On the consummation of the union, all debts would be assumed by the federal government.

It is abundantly clear that the Charlottetown Conference did accomplish a great deal with respect to the future constitution of Canada. The agreement that a federal union was feasible and the broad outline of a constitution for such a union was indeed a major accomplishment.

The adjustment of the details was destined to be a painful task, but an important step had already been taken.

The most important effect of the conference was that the deliberations at Charlottetown had revealed that there was sufficient agreement on the principle of a federal union to justify the continuance of the discussion in a subsequent formal meeting at Quebec.

The conference provided an opportunity for the leading statesmen of the several provinces to become acquainted with each other and to cement the personal relationships that are intangible necessities in any formal negotiation. Moreover, the broad agreements reached facilitated the completion of a federal scheme at the Quebec Conference. John A. Macdonald, who may be regarded as the architect of the Canadian federal union, made references to the Charlottetown Conference in the Canadian Confederation debates in 1865, which can be regarded as very adequate analyses of the results of the conference.

John A. Macdonald asserted in his first debate on February 6, 1865, that "the broad agreements reached at the Charlottetown conference greatly facilitated the acceptance of the federal union at Quebec".

Later, in the same debate, he claimed that if the Charlottetown Conference had not been held, federal union could well have been delayed for many years. Macdonald's tributes to this conference placed its importance as a prerequisite to federal union beyond question.

From these considerations, I trust that you will agree that the Charlottetown Conference was a very important step in the formation of our Canadian nation.

I regret, however, that few accounts of Canadian history recognize its importance. Too often references to the Charlottetown conference limit their focus to the following type of remarks: "The Fathers of Confederation met in Charlottetown in September 1864, and there it was decided to have a formal conference in Quebec in October".

The author I referred to earlier in my opening comments, Reverend Francis W. P. Bolger, believes that such a cursory treatment of the conference leaves a tremendous gap in our knowledge of the story of Confederation.

Although the political baby, "Confederation", was not born at the Charlottetown Conference, Dr. Bolger felt that the provision of the "cradle" was of great significance and should be recognized as such in Canadian history.

I have related the historical events surrounding the conference as related by Reverend Dr. Bolger and I am most grateful for his writings. He has been widely recognized as the pre-eminent scholar for the island's history. It is only right that his writings be used by myself and written into the House of Commons *Hansard* in perpetuity for all to see.

The 125th anniversary of Confederation will be celebrated in 1992 and it is hoped that this narrative will help Canadians better understand and be more aware of their history.

Today we see a fractured Canada. We see tensions between provinces. We hear of provinces talking of their independence and separating from the federal union. We need to find unifying symbols that will again continue to tie us together.

The recognition of Charlottetown as the birthplace of Confederation will have a profound economic benefit to the island, but it will also reaffirm Prince Edward Island's commitment to Canada and Canada's commitment to the island and its capital, Charlottetown.

It has been a real privilege for me to speak here today in the House on this motion. As referred to by the member for Fredericton, I think that this is one of the glues that can help tie this nation together. I think we should reflect very seriously on the intent of the motion and what it is intended to do.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, just a brief word in support of the motion which is before the House. Other hon. members have done a good job of recounting the history of pre-Confederation, Confederation itself and post-Confederation. They have given us a lot of welcome advice on the things we ought to keep in mind at this particular juncture in Canadian history.

I might say that at least in my history lessons that I received at school, Charlottetown did receive full credit. I had not heard about the subsequent conference in Quebec. I think that Charlottetown certainly has received a good deal of the credit for being the birthplace of Confederation.

I think it is a time for us to remember that what Sir John A. Macdonald called the happy opportunity of founding a great nation still is an opportunity, an opportunity that always has to be worked on, that is a continuing opportunity that no country, no nation can take for granted. I think there is an element in the Canadian consciousness whereby we assume that our country is different from other countries, that it is not exposed to all the tensions and travail of human history. I think we found out, I hope early enough, that we are not and that it takes a lot of work to keep the country together, particularly one as large and as diverse as Canada.

• (1710)

In closing, Mr. Speaker, I would just like to bring to the attention of the House the remarks made by the now retired Secretary General of the Commonwealth, Sonny Ramphal. He appeared before the Standing Committee on External Affairs and International Trade in what was sort of a parting testimony, if you like, at the time when we did not yet know the fate of the Meech Lake Accord.

Whatever our individual or our collective opinion might be about the Meech Lake Accord, I think that what he had to say to the committee at that time is still instructive, even in the post-Meech Lake failure period. What he said was this, and it was very much like something I had to say in earlier debates on the Constitution in the early 1980s: if Canada, a country with so much going for it, with a strong democratic tradition, with a history of solving problems co-operatively and peacefully, cannot reconcile within ourselves the problems that come from having a country with more than one linguistic community and a variety of peoples from all around the world, if we who, if you like, are the prototype of the world, if we, with everything going for us, cannot determine how to live together and somehow fragment and break apart, then this will be a terrible signal indeed for the rest of the world.

I think it is something that we do not keep in mind often enough, and that is that a lot rides in terms of moral and political example on how Canadians deal with each other. For a long time, the nations of the world have looked to Canada and its experience as an example of where people of different cultures, different languages and different traditions, have been able to come together and form one country.

If we now, at a time when the world more than ever needs to learn that lesson, unlearn ours, then we will not only be doing a disservice to ourselves, to the heritage which so many people have pointed out this afternoon and to the future, as it pertains to our own children and grandchildren, but we will be doing a disservice to the world because we will be saying: "Even here in Canada with everything going for us, we were not able to manage it; you guys should forget it". I think that is a terrible message to send out to the rest of the planet.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Amendment (Mr. MacAulay) agreed to.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Hillsborough.

Mr. Proud: Mr. Speaker, on a point of order. I want to thank all those who spoke today and on October 11.

I want to thank the three parties for supporting my motion. Certainly, as has been said here this afternoon and as was said the day on which this motion was introduced, now is the time that we should look at the things that happened in Charlottetown in 1864 and consequently went on in Quebec to become this great country.

I thank all of those who participated very much. It is a great day for Charlottetown. It is a great day for Canada.

Mr. Belsher: Mr. Speaker, I rise on a point of order. If Your Honour would seek the consent of the House, we could now call it six o'clock.

Also we should bear in mind the previous notice that you had from the other place. I am expecting that Black Rod could be interrupting our Adjournment Debate. If so, then we could continue the Adjournment Debate following our return from the Senate. If perchance we should complete our Adjournment Debate before the Black Rod arrives, could we recess our sitting until he does arrive so that we could fulfil our obligation to the other House?

The Acting Speaker (Mr. DeBlois): Does the House agree with the suggestion of the hon. Parliamentary Secretary to the Minister of Transport?

Some hon. members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VISIBLE MINORITIES

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Last May, Mr. Speaker, I asked the Minister of State for Multiculturalism and Citizenship to explain to us why he was unable to hire representatives of visible minorities, particularly women. I also asked him to tell us when he thought he would remedy such a deplorable situation.

The minister being absent, the Acting Prime Minister answered that objectives for 1991 would indicate an increase of 3.8 per cent in the number of visible minority representatives in the public service.

Mr. Speaker, I must say that this reply does not really provide us with any guarantee as to the number of women from visible minorities who will have jobs in the Public Service.

[*English*]

I would like to quote an answer that the Minister of State for Multiculturalism and Citizenship gave during a talk show on multicultural policy in Alberta on May 14 of this year.

To the question "You're trying to create equal opportunity, aren't you", the minister responded:

> Equal opportunity. Equal access. You have to have the ability, of course. When I look around, and when we see there is absolutely no opportunity and no (way) for any of the visible minorities to be included, of course we have difficult police-racial-minority relations.
>
> We ask that (an) institution examine not only its own program of cross-cultural understanding but find a way to include some of them within (for example) the police department, so that there will be a better relationship and there will be an ability of the police and collegiality to understand how minority and community cultures think.
>
> Let me turn it around. You've got a visible minority population in Toronto of 20 per cent. Go to any institution. Do you find them in relative numbers? Not at all—So we need a little catching up to do."

I would like to know how the minister hopes to have a better participation from the institutions in the integration of visible minorities, and women in particular, when his own department does not lead the way.

[*Translation*]

Mr. Speaker, if there is a Department which should have a large proportion of visible minority people, it is that of Multiculturalism and Citizenship. If this agency wants to get results, it should set an example.

• (1720)

How could it ask institutions to hire at least the minimal percentage required by the government when this very government does not meet its own standards?

If it is important for this agency to show leadership with regard to visible minorities, Mr. Speaker, it is also vital that it should open the way for women. This does not mean doubling the clerical staff establishment. It is important for women to assume more and more decision-making positions. There are many competent women. The government should have the political will to seek them out, accept to pay the price and stop being afraid of them. If the minister is really sincere, he will find the way to hire in his own department women from visible minorities in executive positions. Only then will he be in a position to require others to meet the standards.

[*English*]

If multiculturalism is the reality of this nation, as the minister said, how does he intend to reflect this reality in his own department?

The minister affirmed the following:

> I guess my obligation is, in addition to helping people in their awareness—to reach out and seek the partnerships; it is to challenge every institution of the community so that it examines itself and makes sure that it provides opportunity for the full Canadian diversity to participate.

Is he asking others to do what he is incapable of doing?

[*Translation*]

Mr. Speaker, I realize that departmental staff cannot be changed overnight, but the Minister was given responsibility for Multiculturalism and Citizenship some time ago. How much longer do we have to wait to see visible minorities and women in senior management?

Mr. Speaker, I believe that if we want things to happen, we must clearly identify what objectives should be reached and when. It is too easy to say that things have improved and that we are making headway. Going along at a snail's pace is not exactly what I would call progress, but perhaps that is why this issue is still on the agenda.

Mr. Speaker, I hope that the Minister responsible for Multiculturalism and Citizenship will soon be able to tell us that a number of management positions, in his own department, for instance, are held by representatives of visible minorities. Meanwhile, we in the Liberal Party will continue to put pressure on the government to achieve balanced representation.

[*English*]

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to have this opportunity to address the question put by the hon. member opposite on May 14 regarding the employment opportunities for visible minorities within the public sector.

The federal government is strongly committed to the principle of equality in the work place and to fair employment practices over all. Awareness, dedication and a solid, concrete plan of action have been the essence of the government's approach. We have sought to ensure that all employees are free from discriminatory attitudes that stifle individual productivity and limit personal growth.

There has been a comprehensive program of employment equity in place since 1983. It clearly requires that all government departments and agencies develop action

plans, including specific numerical targets for improving the representation of designated groups.

Over the years, significant progress has been made in promoting the employment of members of visible minority groups in the Public Service. As of 1989 the number of visible minorities within the Public Service had risen to 6,829, compared to 4,159 in 1985. Over the four-year period the percentage rate has nearly doubled from 1.7 per cent to 3 per cent of the total work force.

Treasury Board has also established the Visible Minority Employment Program to recruit members of visible minorities actively. It has allocated more than $15 million and 400 person-years for the period 1988 through 1993. In addition, an advisory committee on the employment of visible minorities is in place to address issues of concern to visible minorities.

The present government clearly recognizes the unfortunate reality that certain segments of Canada's population are still confronted with serious disadvantages in the job market. That is why the government has determined to take a pro-active role by seeking to create a workforce in the Public Service inclusive of aboriginal peoples, members of visible minority groups, persons with disabilities, and women. They are a part of this nation's work force and deserve to be optimistic about their future.

The President of the Treasury Board indicated that considerable progress has been made in recent years on this front. At present, an increase of 3.8 per cent in minority representation within the Public Service is being projected for 1991.

With respect to the representation of women in the Public Service, we have redoubled our efforts. All major categories within the Public Service have experienced steady increases in the number of women participating since 1984 when the government was first elected. In keeping with this, it is equally vital that women be represented in the upper levels of the Public Service and in positions of authority. The representation of women in the management category has increased from 7 per cent in 1984 to 14.1 per cent in 1989.

The government stands firmly by its commitment to promote the increased representation of visible minorities and women within the Public Service. More than ever it is determined to ensure that the equality of opportunity and access guaranteed by our Employment Equity Act, our Canadian Charter of Rights and Freedoms, and our Canadian Multiculturalism Act is reflected within the Public Service.

Yes, there is still room for improvement, and we in the government are the first ones to admit it. We are determined to spare no effort in ensuring that the Public Service of the 1990s and beyond reflect the rich diversity and broad experience of all Canadians.

* * *

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

> Bill C-44, an Act respecting the Hibernia Development Project and to amend certain Acts in relation thereto.—Chapter 41.

[*English*]

The hon. member for Timmins—Chapleau has the floor.

UNEMPLOYMENT INSURANCE

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, when I asked the Minister of Employment and Immigration last week if she would consider granting retroactive parental benefits to January, 1990, she gave me a very curt and blunt answer. She simply said "no".

Since then we have seen in the press many articles referring to the current confusion with regard to which new parents may qualify or not for these benefits. I understand the problems involved in putting together a new program, but I must again point out to the minister something she might have forgotten; pregnant women

cannot put off giving birth until everyone has been properly briefed on the issue.

Not only is the minister creating tension at what should be a joyous occasion, but she is also hiding behind overworked government employees to avoid doing something.

In committee on October 25, the Deputy Minister and Chairman of the Department of Employment and Immigration said there would be newspaper ads on November 12 and brochures mailed to people currently on claim to inform them.

Meanwhile, it appears that employees of Employment Centres in Canada are being kept in the dark, as well as the Canadian public. The minister's office is saying on the one hand that in some cases parents of babies born before November 18 could still receive the parental benefits, providing they do not start a claim before the implementation date or even in some cases, if there had been a claim but the woman had gone back to work for 20 weeks, she could then apply for the benefits.

Other scenarios have also been outlined by the minister's office, but it seems that her office has not been able to make their wishes known across the country.

One must wonder, Mr. Speaker, what it will take for those in the front line, when you consider the massive lay-offs due to the recession. Clearly under the present conditions, there will be longer delays for people before they can receive payment.

When this is added to a complex, and I want to point out, mostly unfair reform of the unemployment insurance system, things can only get worse. Given the fact that the minister has not specified what could happen to people who are not fully informed prior to the implementation of these benefits, she is preparing another bureaucratic nightmare.

She should reconsider her previous decision and make parental benefits retroactive, if not all the way back to January 1, at least to when Royal Assent was given, to allow more people to qualify and also to simplify the process.

• (1740)

Given the current situation, she should also consider hiring more staff to expedite the process. The union representing employees at the Employment Centre, PSAC, has asked for an increase in staff for the past two years. What kind of a nightmare are these employees, who now have shortfalls, going to be facing with even more problems with these new applicants?

To make matters more difficult, she added some small benefits such as the parental benefit. I want to add that no one can argue that granting parental benefits is a bad thing, but in introducing this it should not be done on the backs and at the expense of other unemployed workers.

[*Translation*]

Last week, the National Anti-Poverty Organization, the *Mouvement action-chômage de Montréal* and the Ontario Coalition Against Poverty denounced the changes to the Unemployment Insurance scheme as one of the worst attacks against wage-earners.

We may well wonder if the figures quoted by Deputy Minister Kroeger in committee were a figment of his imagination.

The Deputy Minister claimed that, according to some studies, only 30,000 people would be affected by the changes to the Unemployment Insurance Act.

Yet, according to the figures provided by the Quebec Department of Employment, nearly 60,000 people will be affected by this reform.

[*English*]

Welfare cases in metro Toronto are expected to almost double from last year. The tightening of federal unemployment insurance rules is being labelled as one of the causes.

We also read in the minutes of the committee that the training aspect of the bill will not be in effect until January 1, 1991. The government has been collecting higher premiums since January of 1990, yet the programs are not in place. The government is making money on the backs of those who can least afford it. The government had an alternative but they clearly refused to look at one; the same way they refused to look at all other alternatives to the GST.

In Australia the government has decided to legislate a national training tax system, known as the training guarantee. This scheme will ensure that all Australian firms with an annual payroll of over $200,000 will spend a minimum of 1 per cent of payroll on approved training in 1990-91 and then the minimum will rise to 1.5 per cent of payroll after two years. There is an alternative that

would have achieved the goal of maintaining and upgrading a highly skilled labour force.

The minister thought she would be better off with the easy way out, by taking away funding from a much needed program, particularly in these difficult times. She took the easy way out and working families must deal with the consequences.

We are looking for a favourable solution to this problem and I hope that the Minister of State for Employment and Immigration will rise and offer us a solution.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to address some of the points made by the hon. member opposite. The government, and I am sure, most Canadians are happy that the Senate has finally seen fit to pass Bill C-21. Indeed, some of the comments that the hon. member makes today are directly related to the measures in that bill that are seen as improvements by many people in this country.

In respect of the member's comment that they implementation of Bill C-21 is a nightmare in some cases, I would appreciate some details rather than general allegations. My information is that the implementation of the bill is proceeding on schedule and that the local offices are well able to cope with the problems they face.

In so far as the provision of parental benefits is concerned, I would be remiss if I did not point out, for information purposes at least, that it is this government that saw fit to introduce them. We do not need any lessons from the opposition as to their appropriateness. The parental provisions of Bill C-21 represent a significant advance over the existing legislation, and have been introduced to recognize the legitimate concerns of Canadians who find themselves in the position of starting families and wishing to maintain an active attachment to the labour force at the same time.

The hon. member seems to think that Canadian families have paid for parental benefits since January, 1990. Nothing could be further from the truth. He did not correctly understand the minister's first press conference on Bill C-21 in April, 1989 and subsequent explanations on many occasions.

She has explained clearly and repeatedly that the economies realized from the new provisions respecting entrance, duration, and voluntary leaving employment without just cause would be poured back into the program in order to finance the significant improvements being made in the areas of training, parental benefits, benefits to persons over the age of 65, and so on. The increased premiums are not paying for the program enrichment.

The setting of the premium rate was announced by the Minister of Finance in his budget of April, 1989. It is in no way tied to the more generous benefits contained in Bill C-21. In fact, as the minister and her officials testified before the committees in the House of Commons and in the Senate, the freezing of the premium rates for 1990, 1991, and 1992 is designed to soften the impact on a yearly basis of the introduction of the Labour Force Development Strategy as a whole.

We also clearly said that if there were any deficits in the UI account were to accrue, the Government of Canada would—as it has done in the past—advance the necessary funds to ensure that the account is able to continue to pay the UI benefits that Canadians need.

I would also like to comment on the issue of retroactivity. The hon. member wants to know why the parental benefits are not made retroactive to January, 1990. No one would be happier than this government if this could have been the case. Indeed, the Labour Force Development Strategy was developed so that the parental benefits would come into effect on January 1, 1990.

However, the Senate of Canada, for reasons still best known to itself, chose to delay the legislation for almost a year. Thus, instead of coming into force on January 1, 1990 as we had planned, the parental benefits provisions will only have effect as of November 18, 1990.

People such as the hon. member who want to know why this took so long are best advised to pose their question elsewhere as the intent of the government in this respect has been clear and consistent. I regret that the passage of the bill was delayed so long and I believe that the hon. member will, upon reflection, feel the same way.

[*Translation*]

THE ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I am grateful to you for this opportunity to take part in this debate on the adjournment motion about the issue which I raised with the Minister of Finance on October 11, as reported on page 141 of Hansard. My question had to do with the great many jobs being lost every day, including 3,000 at Air Canada, 1,500 at CN and 3,000 at Esso. To date, I should like to add the 700 lost at Marine Industries and approximately 1,000 at Kratt & Whitney in Longueuil. Also, the number of banruptcies is on the rise. A short while ago, as a result of several questions from the opposition, the Minister of Finance finally recognized that we are now in a recession.

What I found astonishing, Mr. Speaker, in the Minister's response to my question was this, and I quote:

> [—] Surely he acknowledges that the biggest problem that Air Canada has today is the increase in oil prices, which in turn has been caused by the international problem in the Middle East right now.

There is indeed a crisis in the Persian Gulf, Mr. Speaker, but that is not why Air Canada laid-off 3,000 people. I think the lay-offs are due to a much deeper crisis. It has to do, first of all, with the Minister of Finance's high dollar monetary policy. Tourism, for example, had a disastrous season. Suffice it to quote Claude Picher who was saying the following, just a few days ago, in an article published in *La Presse* on October 23. With your permission, Mr. Speaker, I would like to read part of that interesting article:

> Touristic nightmare
>
> A harsh and inescapable reality is emerging from behind the official optimism of the travel promotion industry: Canada is headed for its worst deficit ever, and by far in The Tourism industry! The most recent statistics indicate that the peak season—July and August—is a disaster. If past trends are any indication we can already forecast that Canada's 1990 tourism deficit will be around $4.4 billion—an increase of 26 per cent over 1989 and 62 per cent over 1988. Even accounting for inflation the deterioration is spectacular. You will have a good idea of the damage if I point out that, at the time, 1988 had been labelled a disaster year!
>
> Of course, you can always say that Canada is used to that. Year in and year out our tourism deficit is rather significant. Particularly troubling this year—never mind the huge deficit—are the summer figures.

• (1750)

And there is more in the same article, Mr. Speaker. Here are specific figures:

> In July, foreign visitors—Americans mostly—made 5.6 million trips to Canada. This may look good, but it indicates a decline of 4.7 per cent over the same month last year.

So, Mr. Speaker, clearly Air Canada's problems have nothing to do with the oil crisis, but they can indeed be traced right back to the economic crisis created by the Minister of Finance, a made-in-Canada crisis. Should he stubbornly maintain his high-dollar monetary policy you can be sure that tourist—particularly Americans who usually come up to Canada in droves—will find our costs prohibitive and travel elsewhere. We are already beginning to see the economic impact on that industry.

Mr. Speaker, to prove that these economic policies are a disaster for Canada, we had the same day—I don't know whether it was a day for bad news—the 23rd of October, another article in the same *La Presse*, intitled "Competitivity decreasing in Canada". In the 1980s, Mr. Speaker, we were ranked second, but we are now sixth.

This is unacceptable! How can we stay competitive, now that we are in the 1990s and that the 21st century is fast approaching? If the minister sticks to its policies, we are sure to have a "made in Canada" economic disaster. He often refers back to the years 1981-82, but we were going through an international crisis then. What we are facing now is a made in Canada crisis resulting from the monetary policy of the Minister of Finance, the high Canadian dollar policy which is hurting the tourism industry terribly as we have said earlier. The high interest rates policy, which results in a much stronger Canadian dollar, is most harmful to Canadian manufacturers who are unable to keep up with the competition because of high financing costs. They must incorporate those additionnal costs into their operations and that is why prices are increasing.

That is all there is to it, Mr. Speaker! And when the Minister asked me if I had any suggestions, I said to him that he should first lower the interest rates. He should do it as soon as possible so as to restore confidence within the industry, create employment and have people working again. This would in turn bring about a viable economy and we could consider the future with some hope.

Mr. Speaker, you are signalling that my time is up now. I hope that the Parliamantary Secretary, who will be answering on behalf of the Finance Minister, will give us some indication that a considerable reduction is to be anticipated when the Bank of Canada announces the prime rate this week, as it does every Thursday, so that Canadians can continue hoping for a better future.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, this government recognizes that the Canadian economy is now going through an adjustment period that is a source of difficulties for many Canadians.

However, given the excessively rapid growth of these last years, the present economic slowdown should surprise nobody nor create a feeling of crisis.

This is normal in a period of strong growth when the demand for goods and services outpaces the productive capacity of the economy.

The vigorous expansion of our economy during the last seven years made for a tight supply on the labour and goods markets, resulting in destructive inflationary pressures. Had we not reacted immediately to dampen inflation, pressures could have built up in our economy and it would have been much more difficult and costly to eliminate them later on.

That is why this government developed and implemented wise fiscal and economic policies in order to better balance demand and supply while alleviating inflationary pressures. This will lead to a drop in interest rates and a return to a balanced and sustained growth.

We are in the middle of the adjustment period. We are aware that these adjustment periods always bring some real difficulties. However, it is important that Canadians recognize that these changing economic conditions ease the inflationary pressures that push up prices and business costs, erode competitiveness and jeopardize the jobs of Canadian workers.

[*English*]

I want to assure the hon. member that we are fully sensitive to how important the course of monetary conditions will be for the operations of business and our economy as a whole. Many voices have called on the government to lower interest rates in order to revive economic activity and avoid further job losses. However, attempts to create employment through an inflationary monetary policy would be self-defeating. It is critical that all participants in our economy recognize that the government's scope to alter monetary conditions depends directly on the continued reduction of inflationary pressures.

I wish to assure the hon. member that the government remains committed to the economic agenda followed since 1984. It is also creating the conditions for sustainably lower interest rates and balanced sustained growth.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Wednesday, November 7, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

BILL C-86

Mr. John Manley (Ottawa South): Mr. Speaker, yesterday the Conservative senators put off consideration of Bill C-86, a bill to provide over 66,000 Canadian families with pre-payment of the child tax credit before Christmas. The Liberal Senators offered to speed up passage of Bill C-86. The Senate Committee on Social Affairs was standing by ready to receive it, with the intention of passing it by the end of the day. Instead, the Conservative senators said they did not have their notes. They did not know enough about a bill that is only one page in length.

Why did the government not provide notes to its colleagues in the other place? Why did it not explain to the Tory majority that Bill C-86 requires urgent attention, that it was promised by the Minister of Finance back in February? Could it be that Bill C-86 is just another broken promise typical of this government?

Or, is it possible that the newly invigorated "Gang of Eight", enthused by their recent victory in inflicting the clawback and UI cuts on Canadians, want nothing to do with a progressive piece of legislation that could authorize the pre-payment of child tax credits to some of Canada's poorest families just before Christmas?

* * *

[*Translation*]

CO-OPERATIVE EDUCATION PROJECT

Mr. Jacques Vien (Laurentides): Mr. Speaker, on October 26, I had the honour of announcing, on behalf of the Hon. Marcel Danis, that a co-operative education project will start at the Saint-Jérôme CEGEP.

The co-operative education option offers students a chance to combine studies with job experience, thus making them better prepared to enter the labour market. Thanks to a federal contribution of $200,000, the Saint-Jérôme CEGEP will be able to add a co-operative education component in its curriculum. The CEGEP, in co-operation with business, will then be able to give students the tools they need to enter the labour market successfully.

The Saint-Jérôme CEGEP is to be commended for its involvement in the community, and I wish those students who take advantage of the co-operative education option every success.

* * *

[*English*]

THE ENVIRONMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, when it comes to backing its rhetoric on the environment with solid action, this government's record is sorely lacking.

A case in point is the decision by Canadian National to transport more than 2,000 tonnes of potentially contaminated soil from an industrial site in Halifax, 300 kilometres to River Denys in Cape Breton, rather than carry out the tests necessary to verify its acceptability at a local landfill site.

No, it seems CN could not be bothered to take the time. Nor could it be bothered to consult with the municipality of Inverness, not to mention with the local residents of River Denys. It was easier to find some private landfill operator who would not ask too many questions and then sneak the stuff in, hoping no one would notice. Out of sight, out of mind.

Well, it is not out of the minds of the residents of River Denys who are furious at the prospect of their drinking water being contaminated by the run-off from these materials. Nor to the municipality of Inverness which has

had enough problems already with controversial landfill sites, and has had to serve an injunction to stop CN.

Mr. Speaker, all Canadians know how sensitive the disposal of hazardous wastes has become. No community wants to be a dumping ground for some corporation's garbage imported from somewhere else. Certainly, it should not have to be without prior consultation and not by a national Crown corporation on the tacit approval of federal and provincial governments.

CN's behaviour in this case tarnishes its public image and, worse still, erodes the credibility of all governments in the difficult dialogue with citizens over the appropriate disposal of industrial waste.

* * *

GOVERNOR-ELECT ANN RICHARDS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, it is not often that a Canadian member of Parliament has a chance to congratulate a United States governor—she will probably never hear it anyway—but I want to salute Texas Democrat Ann Richards on becoming the first woman governor in the history of the Lone Star State last night.

Now, I would probably disagree with Governor-elect Richards on some issues. But in one respect, her triumph over her Republican opponent, Clayton Williams, is a victory for women everywhere.

Not only did she have her share of discouragements in life; she persevered and came through in the face of Mr. Williams' rudeness, and particularly his unfortunate and shameful gaffe about women and rape.

My wife, Priscilla, and I were cheering on Ann Richards last night. While I know that men are not allowed to wear hats in this Chamber, if I could I would give a tip of my stetson to the first woman governor of the Lone Star State of Texas. Ya-hoo.

* * *

TAXATION

Mr. John R. Rodriguez (Nickel Belt): It is time once again for our corporate welfare bum of the week award. Today, we would like to present a special effects award to the Liberal Party of Canada for its illusory contribution to the tax system. Its latest concept is a Working Group on Fair Taxation.

The Liberal Party deserves special consideration because it has come up with such an impressive lineup for its committee. Its smoke and mirrors panel consists of such enlightened corporations as Peat Marwick which in 1988 contributed over $54,000 to both the Liberal and Conservative parties, and Coopers Lybrand which in 1988 donated over $62,000 to the Tories and $52,000 to the Liberals.

These corporate tax experts will no doubt help the Liberal Party keep in place the tax loopholes it put in place while it was in office.

We congratulate the Liberal Party for its portrayal of concern in trying to appear sincere about keeping the average Canadian in mind with its tax committee. There is no doubt in my mind that this group deserves our special effects award for the corporate welfare bum of the week.

* * *

[*Translation*]

CITIZENS' FORUM ON THE FUTURE OF CANADA

Mr. Clément Couture (Saint-Jean): Mr. Speaker, the Canadian Chamber of Commerce and its 170,000 business members have publicly stated their support for the Citizens Forum on the Future of Canada, as announced by our Prime Minister.

Mr. Speaker, the president of the Chamber of Commerce, Mr. Tim Reid, also mentioned his satisfaction with the Prime Minister's comments regarding the need for putting our financial house in order, if we are to ensure Canada's prosperity during the 90s, and with his awareness of the need to reassess the roles to be played by governments and the private sector in the next few decades, if Canada is to succeed in the international arena.

Mr. Speaker, Mr. Reid concluded his press release with a show of support, on behalf of the 500 local chambers of commerce and boards of trade, for the commission and its task to find out what Canadians think about the future of Canada.

* * *

[*English*]

HISTORIC SITES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, Fort Petrie as well as Fire Command Post and South Bar Battery are abandoned Second World War fortification sites that have been the subject of great debate in my constituency. I had hoped that government funding for the restoration of these sites would have

been made available. However, there does not appear to be any financial assistance forthcoming. Because of the danger and possible safety risks for residents in this area, I must concur with the Municipality of the County of Cape Breton to have demolition commence as soon as possible.

• (1410)

I am certain the historical societies that have worked very hard at trying to secure funding for a restoration project will be very disappointed at this decision.

We must keep in mind, however, that the safety of residents must always take priority. We must secure a safe and secure community, especially for our children who live near these sights.

With this in mind, I urge the Minister of National Defence to commence with the necessary arrangements. I have toured these sights. I have met with the residents and, because there is no financial assistance, I urge the ministry to proceed with demolition expeditiously.

* * *

REMEMBRANCE DAY

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, as we approach Remembrance Day, Canadians are facing a challenge of forging a truer understanding of and a greater love for one another and our country. It is most appropriate at this time that we remember those who fought and died so that we would have the freedom to take up this challenge.

While in many parts of the world there is conflict and oppression, in Canada we have the freedom to express our hopes and dreams as well as our concerns. This is a precious gift that we must appreciate and treasure.

On November 11, as we remember the men and women who fought and died in the service of our country, let us also permit the day to be a reminder of the need to show tolerance and understanding to all the peoples of the world.

Let us work together to find greater peace and harmony at home and throughout the world.

[*Translation*]

INDIAN AFFAIRS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, yesterday, the Minister of Indian Affairs, the hon. Tom Siddon, agreed to start discussions with the negotiating team in Kanesatake, which will consist largely of representatives of a coalition of factions supported by over 400 adult members of the band at Kanesatake. The minister also asked for the band council to be represented on the team.

Around the negotiating table will also sit representatives of the federal and provincial governments and of the municipality, parish and village of Oka.

Mr. Speaker, these arrangements are a good start towards dealing with the thorny question of transferring the 97 acres purchased during the crisis and negotiating a single, undivided territory for the people of Kanesatake. I hope the process will be open to the entire Indian and White population in my region, and I trust these negotiations will result in a final treaty between the two communities. I therefore urge all those who wish to take part in this exercise to do so in a spirit of bringing peace and prosperity back to this magnificent and unique area, Oka—Kanesatake.

Finally, I wish Mr. Bernard Roy, who will preside over the negotiations, every success.

* * *

[*English*]

THE CONSTITUTION

Miss Deborah Grey (Beaver River): Mr. Speaker, the Reform Party is wary and skeptical as to whether the Prime Minister has learned his lesson on constitutional affairs as far as his penchant for top–down, backroom manipulation is concerned.

Reformers are advocating a bottom–up, people–directed approach to constitution making, rather than the elitist or public relations approaches traditionally employed.

Reformers would prefer a series of constitutional conventions in each region, as well as by aboriginal people, at which delegates directly elected by the Canadian people and assisted by technical experts would

debate and vote upon proposals for constitutional changes. The output of these conventions would then go to the traditional parliamentary and legislative processes for review and implementation.

Canadian citizens are concerned about and capable of ensuring that Canada enter the 21st century on sound constitutional footings. All Reformers ask is that Parliament trust the common sense of the common people and let Parliament get on with getting Canada's fiscal house in order.

* * *

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I ask all my colleagues today to join me in saying:

Hey hey!

Ho ho!

The GST has got to go!

Tory bagmen are worried
They're running out of dough
Business cannot stand
Mr. Wilson or John Crow.

They decided on a dinner
At a Toronto harbour hotel
So Brian could leave by frigate
If it didn't go too well.

Protesters out-numbered patrons
They came from miles around
One broke through the cordon
And dressed the PM down.

But the PM would not listen
He threw the poor man out
First closure, now eviction
Are how Tories use their clout.

But the truth cannot be silenced
Three chefs were on the loose
To supplement the menu
They cooked Mulroney's goose.

And so the meal was ended
Brian got his just desserts
Together chefs and diners
Joined in the following words.

Hey hey!

Ho ho!

The GST has got to go!

[*Translation*]

LEADER OF LIBERAL PARTY

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, yesterday's first snowfall did not cool the electoral ardour of Jean Chrétien. Mr. Chrétien's recent statements indicate that he is prepared to fight, and I quote, "against the Mulroney government's right wing corporate agenda."

Will the road to Beauséjour be Jean Chrétien's road to Damascus?

Canadians, and especially voters in Beauséjour, may have their doubts about this miraculous conversion.

I must challenge the sincerity of statements made by someone who is so absent-minded he even forgets he was trained as a lawyer.

Obviously, if Mr. Chrétien, according to his statements, has decided to espouse the cause of the New Demcorats, he will have to take official steps to become a member of that party.

I may add, however, that my party reserves the right to cancel Jean Chrétien's membership as soon as he changes his tune, which should not be long.

* * *

[*English*]

LOW INCOME CANADIANS

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, two nights ago co-operation among all members in this House allowed for the passage of the child tax credit bill. This bill will provide additional assistance for some 70,000 families, representing over 230,000 children.

On behalf of those recipients I commend the members of all parties in the House for recognizing the need for this bill.

However, right now there is another rebate for the same families awaiting passage in the Senate. The goods and services tax is designed to recognize not only children but includes 9 million Canadians living on low incomes. It could provide all of them with money that they need and deserve before Christmas but to do so it must receive immediate passage in the Senate.

I commend those senators who are attempting to do so.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Today, Statistics Canada reported that between September and October its help wanted index, a measure of the jobs available across Canada, fell by 3.5 per cent in Quebec, 8.9 per cent in the prairies, 13.7 per cent in Ontario, 16.8 per cent in British Columbia, and 17.1 per cent in Atlantic Canada. That means there are fewer and fewer job openings for the thousands of people losing their jobs now due to the recession induced by this government's policies.

Will the Prime Minister look at his help wanted index and start doing something meaningful right now for the thousands of Canadians who desperately want help to get out of the recession his policies have created?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no one is denying the significance of those figures; they are of concern.

I also say to my hon. friend that we have had a significant increase in employment over the past six years, which has led to a very high level in that particular index. I would caution him about reading too much into that particular index.

Having said that, we recognize the problems in the economy. We have been working to get interest rates down. These, as I pointed out to the House, have come down 1.5 percentage points since the early part of the summer. If the same conditions that brought that about continue, then we can see some further progress in that regard.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, economic experts have said that what the minister is talking about on interest rates is something that is too little and too late.

Yesterday, the government finally admitted that it has spent more than $400,000 of taxpayers' money on polls to find out something it should already know, and that is, Canadians do not want its GST. Surely the government is not going to spend another $400,000 on still more polls to confirm that we are in a recession and that thousands of Canadians and their families are being severely damaged by this government's policies.

Will the government stop wasting money on polls that simply confirm how unpopular and wrong its economic policies are and start doing something meaningful for real people, workers, farmers, and small business people who are being hit hard by this government's misguided economic policies?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no surprise at what the poll results are showing. This has been quite apparent for some while now.

I ask my hon. friend, if five royal commissions and task forces of experts that have looked at the existing sales tax say it must be changed, are we as a government supposed to ignore that?

Are we supposed to ignore what Jean Chrétien said in 1977 when he pointed out that the existing sales tax was causing our exports to have an additional burden on their backs when they go into the export markets?

Are we supposed to ignore what Allan MacEachen did in 1981, when he was sitting right here in this House of Commons and brought forward a budget which proposed a change in the existing sales tax system?

Are we supposed to ignore the Senate finance committee, dominated by the likes of Allan MacEachen, Michael Kirby, and Sid Buchwold?

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Jean Chrétien and the Liberals are speaking for Canadians when they say the GST has to be stopped. If the minister is interested in listening to Canadians, he will listen to Jean Chrétien and the Liberals who are saying in this House, across the country and in the Senate that the GST must be stopped.

[*Translation*]

Mr. Speaker, yesterday, the Liberal senators, in accordance with policies announced by Jean Chrétien and the Liberals, voted in favour of an amendment that would exempt books and periodicals from the goods and services tax. However, the Conservative senators rejected this amendment. My question to the Prime Minister is this: why does he claim to be listening to the country when he refuses to withdraw his GST and has the nerve

to tax books? Why does he want to impose his GST? Why does he want to impose ignorance on this country?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Jean Chrétien is not leading; he is following Allan MacEachen. I only take that from the media where I see Allan MacEachen saying that he advises Mr. Chrétien after he has taken the decision.

The difference is that this government is leading. This government is recognizing the problems of the existing federal sales tax and is moving to remove it.

This government is leading when it recognizes the problem of inflation and takes decisions in advance of the inflation problem getting out of control. This government is leading when it takes decisions to deal with the deficit about which the hon. member opposite, when he was a finance critic for the Liberal Party, asked: "Why are the Conservatives preoccupied with the deficit?"

I will tell him why we are preoccupied with the deficit. It is because of the mess the Liberal Party left this country in. Because it was not preoccupied with the deficit, it is causing the problems that we are having to deal with today.

* * *

[*Translation*]

HEALTH

Mrs. Albina Guarnieri (Mississauga East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Yesterday, the minister said that his department ensured that all available information was disclosed to volunteers for clinical testing.

However, the minister is aware that Daniel Trottier, one of the guinea pigs, was never informed that HI–6 could cause birth defects and cancer.

I therefore want to ask the minister to explain how he can say his government's decision to warn future volunteers is a prudent one, when he knows perfectly well that the people who already participated in the tests, like Mr. Trottier, who is watching you today, did not have access to all available information.

[*English*]

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, not only was the gentleman in question entitled to all the information available, but he signed a form indicating that it had been made available to him and indicating as well the following:

> I have read and understood the information about the study and about HI–6 provided in the following pages. I have been informed about the nature and the purpose of the procedures, the benefits and risks that are involved in their performance, and the risks and potential side–effects associated with taking HI–6. I understand that it is my responsibility to ask questions to clarify any points which I do not clearly understand. I have asked all such questions of the doctor and have received answers to my satisfaction and I understand that I may withdraw my consent and cease participation at any time, without affecting my right to medical care—

The hon. member, if she has bothered to read the consent form as well, will be aware of the fact that the consent form speaks of potential side–effects of the drug. In addition to that it says that as with any drug unexpected and potentially serious effects, including fatality, are always a possibility.

Ms. Copps: No mention of cancer.

Mr. Beatty: Hon. members opposite shout across from their seats: "All you did was mention that this could kill you or have other unexpected serious side–effects; you didn't specifically mention cancer".

In addition to all of this, including our warning of possible fatalities, for phase two of the study we have asked that the consent form specifically make mention of the unlikely possibility that it could be a carcinogen as well.

Every effort is being made and has been made to ensure that all volunteers are fully and completely informed.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, to pursue the answer of the Minister of National Health and Welfare, let me say that apparently manufacturing of the HI–6 drug is prohibited in the United States because of danger to employees and to the community.

Could the minister assure Canadians today that HI–6 is safe for testing in humans, or will he admit that the necessary tests for cancer in animals have not yet been done?

If the drug is not safe for Americans, why should it be safe for Canadians?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, as is often the case with Liberal members, the hon. member does not present the facts squarely and openly.

HI-6 is not available for sale in the United States, nor is it available for sale or manufacture in Canada. It is precisely for that reason the drug manufacturers are required to go to the Government of Canada to seek approval.

Hon. members opposite say that it is a test on humans. Of course, before a drug is approved for sale in Canada, it must be tested on human beings as well.

Based on all of the information that we have to date, which includes tests that are done in other jurisdictions, we believe that such tests are safe. We also believe that the important criterion of ensuring informed consent was met, notwithstanding the fact that the hon. member's colleague obviously has not bothered to read the form and was not aware of the fact that the individual in question signed a consent form stating that he was fully aware of all of the side-effects, and had asked any questions which needed to be asked and was satisfied with the results.

This was the individual who is quoted in today's *Sun* as saying that notwithstanding the fact that he was advised not to drink after taking this, he went out and had a beer immediately afterward and found he was sick. It specifically said on the form that that should not be done.

* * *

[*Translation*]

GARMENT INDUSTRY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister.

Yesterday I was in Montreal, where I visited a garment workshop. Mr. Speaker, even before the Free Trade Agreement with the United States was signed, people said this was a vulnerable sector. They were right. It is true this industry is at risk.

One thing is clear and, that is that this government's economic policies: the high level of the Canadian dollar, interest rates, the GST, and free trade with the United States are making the situation worse. Free trade with Mexico would further aggravate the situation.

Will the Prime Minister say no to free trade with Mexico, protect jobs in the garment industry in Canada and train people who are out of work?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I believe the Minister for International Trade has already commented on the possibility of free trade negotiations with Mexico, but I would like to respond to what the Leader of the New Demcoratic Party said at the beginning, about the garment industry.

I think it is inaccurate to attribute the problems being experienced in the sector to the agreement with the United States, because the prevailing situation in the garment industry, Mr. Speaker, is an international one, and it is affected far more by international trade than by our trading relations with the Americans, in which case we have mechanisms for finding a solution.

I believe it is far too early and in fact totally erroneous to claim there is a connection, especially in the Montreal area, between workers in the garment industry and the free trade agreement, Mr. Speaker.

• (1430)

[*English*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I direct my supplementary question to the Minister of Finance. While this government continues to say that it is too early to tell about the results of the trade deal, it is not too early for the workers who are laid off every day in every sector across this country.

I would like to raise this issue with the Minister of Finance. The Minister of Finance has said that the GST will be good for Canada because industries suffer from the manufacturers' sales tax. The garment industry did not have a manufacturers' sales tax and yet they will be subject to the GST.

On what grounds did the Minister of Finance decide that the GST should be on this industry which did not have a manufacturers' sales tax in the first place?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is indirect federal sales tax on everything that we buy today. Whether it is food, whether it is clothes, whether it is shoes, whether it is books, whether it is desks, everything has an element of sales tax in it.

An hon. member: Heating oil.

Mr. Wilson (Etobicoke Centre): Yes, there is tax on heating fuels as well.

An hon. member: Haircuts.

Mr. Wilson (Etobicoke Centre): Yes, there is tax on haircuts. There is tax on everything that we buy today.

What the hon. member is neglecting is that indirect tax. The royal commissions, the task forces, the industry people who have been coming to successive governments since the middle 1950s, have been telling us to get rid of this tax, to get us on a level playing field so we can compete with the opposition internationally.

Clothing which is imported comes in without any sales tax on it. Clothing that is manufactured here has sales tax on it. It is more difficult for clothing companies which manufacture in Canada to compete with international companies.

Ms. Audrey McLaughlin (Yukon): My supplementary question is directed to the Prime Minister. Today Statistics Canada issued the help wanted index, and we find that there were 12 per cent fewer jobs available in October than there were in September. That figure varies across the country and is much higher in some parts of the country.

During the last election the Prime Minister promised jobs, jobs, jobs. The economic policies of this government have lost jobs from free trade, to the high dollar, to the high interest rate. What is the Prime Minister prepared to do about the increasing job loss? What is his government prepared to do to get us out of this recession and put Canadians back to work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend says that I promised jobs, jobs, jobs. Indeed, I did that in the campaign of 1984 and we delivered 1.6 million new jobs, the largest number ever in Canadian history. Since the free trade agreement there has been another 300,000 new jobs created in Canada. Because of new jobs, unemployment has declined from 11.6 per cent in 1984 down to the neighbourhood of 8 per cent today.

My hon. friend is well known as an opponent of any attempt to modernize the economy, including free trade and sales tax changes. My hon. friend has been captured and is transfixed by the protectionists, as discussed in a recent article by a leading financial columnist, "Free trade's enemies are predictably overpaid labour unionists or fat-cat monopolists. While protectionism gets headlines and votes, Canadians must realize that ranting against free trade is a non-starter. Free trade is a profound historical trend which is as immutable as gravity."

* * *

PERSIAN GULF

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs. As the minister is aware, there are efforts under way to organize an unofficial all-party delegation to go to Baghdad to make a case for the release of hostages.

I would like to ask the minister if he could confirm comments he made outside the House yesterday where he indicated that the government would be prepared to provide information on the Canadians presently being detained in Kuwait and Iraq, and also provide assistance and services to the embassy and other agencies of the government.

Could the minister tell us exactly what kind of support and co-operation the government would provide to this effort?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the member has been quite precise in his question. This government will not authorize a delegation by representatives of Canada to Baghdad. Individual members of Parliament are free to act as they choose.

When individual members of Parliament travel abroad, they are naturally eligible to have the help of Canadian embassy officials. That would be the case with any Canadian members of Parliament who are in Baghdad.

If members of Parliament require a briefing in their private, unofficial capacities, that briefing will be available, whether they undertake a trip there or anywhere.

Hon. Lloyd Axworthy (Winnipeg South Centre): The minister will also be aware that many of the families of Canadian nationals presently being held in Iraq and Kuwait have been cut off from any form of financial support or any form of livelihood.

I wonder if the minister would tell us if the government is considering providing some kind of temporary support by way of income or certainly making available things like telephone services to these families until such

time as their spouses or their other relatives are released?

Right Hon. Joe Clark (Secretary of State for External Affairs): This is, of course, an extraordinary circumstance and the government is looking at it in that context. There are no existing provisions that would allow the government to work in that way and naturally we would want, as the House would understand, to be very careful not to establish precedents with regard to any actions that we might take.

Having said that, my colleagues and I are looking to see if there is some way in which we can offer help to those Canadians whose families are unable to leave Iraq or Kuwait. We would do that on an extraordinary basis, if it is possible. I cannot give an undertaking to the House at this moment as to whether or not that is possible.

* * *

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of State for Housing. As you know, CMHC has recently completed an evaluation of the co-operative housing program. This evaluation was supposed to be completed in August, but this government extended its own deadline and stifled input in the consultation process.

These delaying tactics have left thousands of families on waiting lists and hundreds of resource groups hanging, putting co-op projects on hold until this government gets its act together.

I want to ask the minister this question. Will there be a co-op housing program in 1991 to combat the affordability crisis in this country?

[*Translation*]

Will there be a co-op housing program, yes or no?

[*English*]

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the hon. member and all hon. members of the House are aware, the present co-operative housing program is a five-year program. It was necessary to wait until closer to the end of that five years in order to carry out the evaluation. The evaluation has now been completed. It is out for discussion and consultation with all interested people, including members and people in the co-op housing field.

I will be making recommendations to cabinet toward the end of this month or the beginning of this month with respect to where we go from here on a new co-op housing program.

Mr. Joe Fontana (London East): Mr. Speaker, that is what worries us, because every time this minister of housing has gone to cabinet he has come back empty-handed. Worse still, there is nothing for housing.

The evaluation by CMHC is not only misleading and incomplete, but it does not examine viable options which would make the program more economical, such as the refinancing of the pre-1985 co-ops using the indexed mortgage mechanism.

Since co-op groups need about six months to prepare for a project, and since this government has delayed this new program, will the minister at least extend the current program for another year and help those people who need housing in this country?

• (1440)

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the current program continues until the end of the year. A good many co-operative housing resource groups have projects which they have been developing and are ongoing. There are a great many projects which are in the mill right at the moment and are ready to go ahead next year.

Once I make recommendations to cabinet at the end of the year, we will see where the program goes from there. But I am very optimistic that there will be a co-op housing program and that the hon. member will be quite happy with it.

* * *

PERSIAN GULF

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Secretary of State for External Affairs.

I want to preface my question by expressing my appreciation, that of my colleagues, and the families of those Canadians who are unable to leave Iraq and

Kuwait, for his agreement to permit a member of the government caucus to join an all-party delegation to that troubled region.

I listened with care to the comments of the minister with respect to his undertaking, which offered support in respect of briefings in Canada and support from the embassy staff in Baghdad.

I want to ask the minister, specifically, in the fortunate event that Canadians who are now unable to leave are in a position to leave following the return of that mission, whether he is prepared to give serious consideration to providing logistical assistance possibly including chartered aircraft to assist those Canadians in those circumstances?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one has to learn to listen to the questions of the hon. member with particular care. It is not a question of permission to private members of the House of Commons. My colleagues in this caucus are free to act on their own. As I have particular cause to know, many of them regularly exercise that freedom. It is not a question of permission. It would be unfortunate to leave on the record any suggestion that there had been an action taken by me as minister, or by any member of the government, that constitutes any kind of official sanction to a trip that might or might not be undertaken.

The second part of the question, as the hon. member well knows, is hypothetical. If a situation arises that requires my response I will respond.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, a supplementary question for the same minister. The minister is well aware of the fact that earlier this week he indicated that it would not be acceptable to his government for a member of the government caucus to attend, and I welcome the change in that position. That is an important change in position.

I want to ask the minister whether he also recognizes the serious concern, not just of the families of those Canadians who are presently in Iraq and Kuwait, but indeed of many Canadians about the importance of giving sanctions time to work. I want to ask the minister whether he is prepared to undertake to this House, as he has been asked before by many Canadians, to only act in a military context in terms of any kind of a unilateral military action with the full sanction of the United Nations and only after full parliamentary debate and approval of that action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member has a little identity crisis. He is going to have to ask himself the question whether he wants to take the high ground and stay on it, or try to wring partisan advantage out of a gesture that he intends to have interpreted as a humanitarian gesture.

With regard to the second part of the question, this government is working very actively to try to ensure that action which might have to be taken in the Gulf proceeds under UN auspices. We have played a leading, constructive role. Indeed, through our diplomats in the United Nations, we have been responsible for some of the breakthroughs that have allowed United Nations auspices to cover and to authorize the actions so far. We intend to continue to do that. But we also intend that the actions of Canada and the rest of the nations, the 25 nations, rich and poor, north and south, Muslim and non-Muslim, who are arrayed in a coalition against the invasion of Kuwait, be taken seriously by Saddam Hussein. We do not want signals to be sent that would cause him to believe that there is some easy way for him to stay in Kuwait. We do not want him in Kuwait. We want him out and we want there to be no doubt about our position.

Some hon. members: Hear, hear.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister and the Minister of Agriculture. Yesterday the Minister for International Trade met with the 13 countries of the Cairns Group in Geneva. His press release states that he discussed how to unblock the negotiations on agricultural trade.

The Cairns Group, of course, is very opposed to Canada's system of marketing boards for the dairy and poultry industries. Did the Minister for International Trade make any concessions to the Cairns Group yesterday in order to, in his words, unblock the agriculture trade negotiations with regard to Canada's position on the marketing boards for poultry and dairy?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member is well aware of Canada's stated position at GATT. It has been well presented across the country and internationally. Notwithstanding the fact that the hon. member is trying to find fault with it— and he has not been able to find any such weakness— it has been made pretty clear by Canada, within and without the Cairns group, of what our position is with respect to supply management.

We are reassuring that the supply management systems will be able to operate in Canada. We are strengthening Article XI as we committed ourselves to do. We are clarifying it, strengthening it, and ensuring that the supply management industries in Canada will remain intact and will be able to grow and become stronger than they are today.

Some hon. members: Hear, hear.

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. In spite of what the minister says, Canadian farmers are very concerned about the concessions the Government has already made in its opening position for the GATT negotiations.

For instance, the government has cut agriculture programs during the last two years by 40 per cent. Its outlook forecasts a further reduction of 28 per cent in the coming year.

What assurance can the government give Canadian farmers that other support programs will not be sacrificed in the GATT negotiations?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, whatever reductions the Government of Canada has made with regard to support for agriculture will be taken into consideration in the overall approach we have made at the GATT. We have called for the full elimination of export subsidies and the reduction by 50 per cent of internal support programs provided they are in the amber range.

The figures that we put on the table, as all countries were asked to do, were based on 1986 to 1988 figures at a time when the support was higher than it is today. Any reduction will be taken into account as a part of what we are proposing to liberalize trade in the world and to bring about a more equitable and orderly trading regime for all agriculture throughout the world.

Some hon. members: Hear, hear.

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[*Translation*]

ATLANTIC PROVINCES

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is directed to the Minister of Transport. The Atlantic provinces have suffered a great deal under this Conservative government. Post office closings and VIA Rail cuts have seriously undermined the well-being of this region. And now the same is happening to air and marine transport.

What will the minister do to ensure that his cost recovery program will not further sap this region's strength by affecting local airlines and the marine transportation industry?

[*English*]

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, once again, I should inform the House and my hon. friend that I have met with officials of the marine industry and the airlines industry. In fact I have a further meeting tonight. I have made it very clear to them that this is a cost-recovery policy which we have put out for consultation and that we welcome the consultation from the industry. In fact, the original date for consultation was November 1. We have extended that to February 1, 1991, in order to get the best possible consultation.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my supplementary question is directed to the same minister. The minister has announced that he will consult before making a decision. There is nothing wrong with that. But, while the government has consulted on the GST and on unemployment insurance, it did not listen and we know the result.

• (1450)

Why should Canadians believe that the minister will heed the advice of small airlines and marine industry representatives when they tell him that his proposed cost recovery will seriously harm them? Why should they believe you?

Some hon. members: Hear, hear.

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, if my hon. friend had checked with the transportation critic for the Liberal Party, he would have been able to assure him that the government does listen.

When I table the response to the government's committee report on substance abuse, my hon. friend will agree that we listen.

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GOODS AND SERVICES TAX

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am sure all members welcome the Prime Minister back from his adventures into the reality of public opinion.

We note with particular admiration the way in which he ended that adventure by courageously commiserating with the poor and the disadvantaged at that $500-a-plate dinner last night.

Given all the time and energy that the Prime Minister has put into gathering the opinions of Canadians about his government and about the GST, and given that we just learned that it spent $400,000 or more on learning what anyone could have told them—that Canadians are against the GST—is the Prime Minister finally going to make sure that his time and energy and the money of Canadian taxpayers is not put to waste, that they are listened to, and that the GST is finally killed?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have commented on that question on a number of occasions in the House today.

Let me just quote from this article by Diane Francis again:

> Canadians, like King Canute, the medieval monarch who tried unsuccessfully to order the tides to stop coming in, cannot stop the tides of free trade or reject concomitant reforms like the GST. Ostrich economics will bury Canada if voters opt for politicians who would rip up the free trade deal despite the reality that there is no turning back.

Those same politicians oppose the GST, which has been recommended by task force, royal commission, parliamentary committee, Senate committee and successive ministers of finance. The time has come when politicians have to stop being politicians, be statesmen, and do the things that are right for this country.

Some hon. members: Hear, hear.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, if the Prime Minister was a statesmen, he would answer questions when they are asked of him in the House of Commons.

Some hon. members: Oh, oh.

Some hon. members: Order.

Mr. Blaikie: Does the Prime Minister think that it is an appropriate way of spending Canadian taxpayers' money to spend $400,000 to find out what every single Canadian knows, that Canadians do not want the GST? Is that a way to spend Canadian taxpayers' money? How thick-headed can you be? Did he not already know that people are against the GST?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the things that we have tried to do in a range of ways, whether it is consulting with groups through the offices of members of Parliament, meetings that ministers have with different groups across the country, groups that the Prime Minister meets, or through the open-line shows where he can talk directly to Canadians.

These are ways that we have followed open government since 1984 and we are committed to continue to follow government in that way.

Some hon. members: Hear, hear.

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CITIZENS' FORUM ON CANADA'S FUTURE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister and it concerns the Citizens' Forum on Canada's Future.

Would the Prime Minister clarify for the House and all Canadians who is invited to make the presentations before the commission led by Keith Spicer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, everybody who is interested in Canada's welfare. I suppose particularly those who feel that they have something to offer and may have felt left out in the past will probably want to avail themselves of the quite unique opportunity in citizens defining and perhaps redefining the future of their country.

I hope it is a helpful initiative and that all members of Parliament and their constituents will participate.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the terms of reference document from the Privy Council states that "no person shall be precluded from participating" and the Prime Minister has just reiterated that. Yet, Keith Spicer, the chairman of the commission, stated on CBC radio last Sunday that politicians from the three major federal parties would not be welcome, but those from fringe parties would be. There seems to be some confusion between the Prime Minister and the commissioner.

Some hon. members: Oh, oh.

Ms. Phinney: Am I, as a Canadian who happens to hold elected office, denied the right to appear? Is Keith Spicer going to deny the people of Hamilton Mountain the basic right to be heard through their elected member?

Some hon. members: Hear, hear.

Right Hon. Brian Mulroney (Prime Minister): I am sure, given the representations that my hon. friend has made, that she will have no trouble at all being heard before that forum.

I did not hear the program. Mr. Spicer is well known. He has not only an innovative mind and a gift for articulation, but he also has a great love of Canada. He is interested in, I am sure, provoking a great and productive national debate. The hon. member will have to ask him, but I know that he wants to hear from all Canadians. If my hon. friend wishes to appear, I am sure that the commission and the commissioners would be delighted to hear from her.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member for Cape Breton—The Sydneys. A single question, please.

* * *

CRIME PREVENTION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Justice. The recent international crime prevention conference in Ottawa has shown once again that Canada is falling even further behind European countries in the area of crime prevention. The Netherlands, for example, with a population of 15 million and a crime rate one-third less than Canada's, is contributing over $17 million to crime prevention.

Why is the government ignoring this question when other countries are confronting it and contributing much needed funds toward crime prevention?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I find that an extraordinary question and I am sorry that I do not have in my book a card with specific statistics of our financial contributions. In fact, Canada is extraordinarily active in all of the international crime prevention activities. In addition to that, we have projects and programs against family violence and violence against women. We are undertaking a complete and thorough review of the Criminal Code of Canada.

There are numerous avenues and ventures in which the Government of Canada is expressing its commitment, not simply to the prevention of crime, but also to tapping our ability to deal with crime when it happens and ensuring that those who commit crimes do not become recidivists in the system. There is the consultation process on our sentencing and parole reforms.

I would be very happy to correspond with the hon. member or to arrange for a briefing with him. I think he would find the Government of Canada is deeply committed to the prevention of crime in all the forms that that can be done successfully.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member for Saanich—Gulf Islands on a single question.

* * *

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, at the Second World Climate Conference in Geneva over 700 scientists from 120 countries concluded in their final statement that immediate action is required to reduce carbon dioxide emissions if we are to avoid destructive impacts of global warming. They said also that it was technically feasible to achieve the required goal of at least a 20 per cent reduction in CO2 emissions. The United States, the Soviet Union, and Saudi Arabia have all made it quite clear that they are unwilling to take any action.

I ask the Prime Minister: Why has Canada sided with the United States on this issue, instead of working with progressive countries for a declaration that heeds the calls of the scientists?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I want to make it very clear to the House and to all interested parties that Canada has not sided with the United States, or the Soviet Union, or Saudi Arabia or any other nation which is seeking to retard progress at this particular convention.

In fact, if I may, I would like to read from the final communique, which states: "Taking into account that the developed world is responsible for about three-quarters of all emissions of greenhouse gases, we welcome the decisions and commitments undertaken by the European Community with its member states, Australia, Austria, Canada, Finland, Japan, New Zealand, Norway, Sweden, Switzerland, and other developed countries to take actions aimed at stabilizing emissions of CO2 or CO2 and other greenhouse gases not controlled by the Montreal protocol by the year 2000 in general at 1990 levels."

* * *

• (1500)

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. Considering the economic situation in Quebec's resource regions, including Abitibi-Témiscamingue, and the 1988 Canada-Quebec Agreement aimed at reinforcing the economic infrastructure of regional development, is the minister prepared to announce, as soon as possible, that the federal government will sponsor three new programs with Quebec, namely, support for infrastructures for business development, support for tourism attractions and infrastructure projects and support for major regional facilities?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, since 1988, three federal programs have been developed under the regional development agreement with Quebec, and the hon. member is right, I am about to announce, with the Quebec Minister of Regional Development, three new components of the program which may very well be those mentioned by the hon. member for Abitibi.

* * *

QUEBEC'S RIGHT TO SELF-DETERMINATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the right hon. Prime Minister. On a number of occasions the Prime Minister has publicly acknowledged the legitimacy and legality of the Bélanger-Campeau Commission. I therefore want to ask the Prime Minister whether he also agrees with the preamble to the legislation establishing this commission, which says, and I quote: "Whereas Quebec men and women are free to assume their own destiny, to determine their political status and to ensure their economic, social and cultural development"?

Could the Prime Minister tell the House once and for all whether he agrees with the right to self-determination of the people of Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have never analysed the preamble to which the hon. member referred. I have read large fragments, but I have not analysed it in detail. I would therefore have to reread the preamble carefully before responding to his question.

I think the hon. member knows perfectly well that the involvement of the Prime Minister, the opposition leaders and almost all the premiers of the other provinces, and in fact the hon. member himself, who was a federal member, in the 1980 referendum, was a clear indication that the results of a democratic and free vote taken in circumstances and according to standards that are normal and acceptable, were accepted by all Canadians in this country.

Therefore, without wishing to get involved in this particular area for the reason I just mentioned, I believe that the experience of Mr. Trudeau and the Secretary of State for External Affairs in 1980 and indeed of practically all members of this House and of the provincial premiers, is an indication of the democratic will of all Canadians.

[*English*]

PRIVILEGE

HOUSEHOLDER OF MEMBER FOR EDMONTON—STRATHCONA

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise on a question of privilege relating to the actions of the member of Parliament for Edmonton—Strathcona.

It is my contention that this hon. member has brought this House into disrepute by blatantly ignoring the members' allowances and services manual and the guidelines therein.

The hon. member in a recent householder launched an attack on me personally and on the Reform Party of Canada, ignoring the guidelines. The members' services manual states clearly that free household mailings are "intended to provided members with a means for keeping their constituents informed of the workings of Parliament".

Is it considered "the workings of Parliament" when an hon. member states in a householder on page 5, and I quote:

> Perhaps she should spend less of her time running around the countryside with Mr. Manning, practising politics at the taxpayers' expense?

For the record, I would just like to say that out of the 87 weekends and weeks since my election to Parliament, I have spent 66 of those weekends in my riding. I would hardly consider that running around the countryside with Mr. Manning.

Is it non-partisan, Mr. Speaker, as the guideline states, that the householder be for an hon. member to use the taxpayers dollars on whole pages of vicious, personal attacks on another hon. member? Is it not a blatant disregard for the rights of an hon. member when another member spends taxpayers' dollars in personal and malicious attacks on the character of the former, or to rant rabidly against the policies of another party?

I know that the Canadian people are fed up with what they perceive to be a waste of money that they send to Ottawa. I would ask you, Mr. Speaker, and the House, to consider whether this is not a good example of a waste of taxpayers' money, a violation of my rights as a member of Parliament and the privileges that I have of this House in such a blatant disregard for the guidelines and the members' allowances.

Finally, I will just draw to your attention the note on section F(3) of the members' manual. That note states, and I quote: "Householders which are distributed or otherwise used during an election period and which directly promote or oppose in whole or in part a particular registered party or the election of a particular candidate, come within the definition of election expenses under the Elections Act. The cost of printing and mailing these householders or a portion thereof, depending on what portion directly promotes or opposes, should be reported as election expenses".

I submit to you, Mr. Speaker, that the member for Edmonton—Strathcona has begun his campaigning for the next election, considering he used five entire pages of his householder to attack the Reform Party, Senator Waters and myself.

Mr. Speaker, the note says such partisan material does come within the definition of election expenses under the Elections Act. The cost of printing and mailing should be reported as election expenses. As we all know, an election could be a considerable length of time away. Therefore, because this householder has been sent out long before an election writ, I submit to you, Mr. Speaker, that the member for Edmonton—Strathcona be ordered by this House to have the amount of this householder billed to his next election campaign, if he chooses to run. Taxpayers may be more appreciative, Mr. Speaker, if the member be ordered by this House to pay for the cost of printing and mailing this householder, and to pay that personally.

Mr. Speaker: The hon. member may or may not have a question of privilege, but I do not think the House can get into the question of ordering the hon. member to make payments.

I will hear the hon. member for Edmonton—Strathcona.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, the hon. member for Beaver River talked about informing constituents, and that is precisely what I was doing. Every day in this House of Commons we have a public debate about issues and policies. I took five pages of my householder to publicly debate those policies and

issues. They put forward certain positions on issues, and I have countered with my critique of those issues.

We do that every day here in Question Period. That is a normal part of a member's duty. I do not feel I was breaching any rule. In fact, I have discussed other parties' issues, as all members have in the course of our duties. I also discussed the member's voting record, which is on the public record. I merely shared that with my constituents.

I think the Reform Party, which the member represents, is raising this is it is afraid of criticism. The party's position does not stand up to public scrutiny. In other words, people who live in glass houses should not throw stones. I discussed these issues in a rational and reasonable way, as we do every day in the House of Commons.

Miss Grey: Mr. Speaker, I am not referring to the substance of what the hon. member is talking about in this. All is fair game, certainly in politics, and I understand that.

If the hon. member is talking about what should be forwarded in his householder, surely he is proud enough of his government's efforts to talk about the positive things that it is instituting in this country. I do not know how many pages he would come up with.

Finally, I would like to say that we are not talking about the substance of it, we are talking about the abuse of a privileged members' finances being wasted. In section F(3), and I am talking about the specific letter (f), it states that unacceptable requests are material prepared by party research offices. It would appear to me that this is something that has come forward and is definitely a breach of our privileges as members. I would like to submit that to you, Mr. Speaker, and say that I believe many taxpayers in Canada would be absolutely disgusted with this. I think it is a dangerous precedent to set.

• (1510)

Mr. Thorkelson: Mr. Speaker, in response to that, my householder was a 20-page householder. The rest of my householder was devoted to the wonderful things that this government is doing. One has to contrast public policy with the criticisms of what others feel about it. This householder was dedicated to a discussion of public policy in a rational and reasonable manner, in a very public forum. They can dish it out but they cannot take it.

Mr. Speaker: The hon. member for York South—Weston is seeking the floor and I will hear him in a minute. I hope that he can assist the Chair as to whether this is a question of privilege or not.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the hon. member for Beaver River raises an important point. I have not had the opportunity to review the householder by the member for Edmonton—Strathcona. Mr. Speaker, you are being called upon today to review the issue of householders. Some members seem to be suggesting by their interventions and their heckling that there are no restrictions when it comes to the use of householders other than some vague restrictions that might appear in the members' manual.

Mr. Speaker, I believe it essential that you take this matter under advisement, that you carefully review the householder of the hon. member for Edmonton—Strathcona, and render your opinion, as the Speaker of the House, in terms of the limitations and the restrictions which should apply in the issuing of householders.

Mr. Speaker, while I do not comment on the specific issue of this specific householder, since the member for Beaver River has raised this issue, I believe it incumbent upon you to render a ruling as to the issue of householders, generally.

Mr. Speaker: I want to thank the hon. member for York South—Weston. I know hon. members will feel that the matter has been fully discussed, and I will consider it.

The question that is raised, of course, is what is appropriate to be put into a householder? It may or may not be a question of privilege; I will consider that. It may be a matter of some interest to all hon. members, but I do not need to hear any further argument on the matter.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

GOVERNMENT RESPONSE TO THIRD REPORT OF STANDING COMMITTEE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 109, I wish to table, in both official languages, the government's response to

the third report of the Standing Committee on Transport, entitled *Strategy on Substance Abuse in Safety-Sensitive Positions in Canadian Transportation.*

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to 20 petitions.

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

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COMMITTEES OF THE HOUSE

STRIKING—54TH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the 54th report of the Striking Committee.

JUSTICE AND THE SOLICITOR-GENERAL—FIFTH REPORT OF STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Justice and the Solicitor General.

This report contains seven recommendations on the report of the 1989 commission on judges' salaries and benefits. Also, the committee urges the government to bring the necessary legislation to Parliament at the earliest possible date.

FORESTRY AND FISHERIES—SECOND REPORT OF STANDING COMMITTEE

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have the honour to present, in two official languages, the second report of the Standing Committee on Forestry and Fisheries, which I do on behalf of the chairman, the hon. member for Gaspé, as prepared by the subcommittee on forestry, which I have the pleasure to chair.

This report, which has been unanimously agreed upon by members of both the standing committee and the subcommittee, addresses the terms of reference for the new Department of Forestry.

It recommends a mission for that department, to lead Canada toward sustainable forestry development in partnership with the provinces and territories of this country. It recommends a strengthened mandate both organizationally and financially for the Department of Forestry. It also recommends a close partnership with the provinces, the territories and all other stakeholders in planning the land use required for future sustainable development of our forests in Canada.

[*Translation*]

Mr. Speaker, pursuant to Standing Order 109, the committee requests that the government table a response to this report within 150 days.

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

* * *

[*English*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

MEASURE TO ENACT

Mr. David Kilgour (Edmonton Southeast) moved for leave to introduce Bill C-343, an act to amend the Members of Parliament Retirement Allowances Act (government employment).

He said: Mr. Speaker, very briefly, this bill would amend the MP pension legislation in a significant respect. It would prevent double-dipping by former MPs by ensuring that any of them under the age of 60 who are receiving paycheques from the Government of Canada or an agency of the Government of Canada may not simultaneously also receive their MP pensions.

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

Routine Proceedings

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

MEASURE TO ENACT

Mr. David Kilgour (Edmonton Southeast) moved for leave to introduce Bill C-344, an act to amend the Members of Parliament Retirement Allowances Act (age of entitlement).

He said: Mr. Speaker, this bill relates to the age of eligibility for an MP pension. It would bar a former MP from receiving an MP pension before he or she reaches the age of 60, on the premise that most other Canadians have to wait until 60 or 65 before they can obtain pensions.

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

* * *

PETITIONS

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have a petition to present on behalf of Canadian dairy farmers who feel that the Canadian system of marketing and supply for domestic and export demand have not contributed to world surpluses.

They fear that the government is going to allow changes at the GATT. They humbly call upon this Parliament to instruct the government to hold up our Canadian system as an example to the rest of the world and to protect it in its entirety, at all costs, in the current round of GATT negotiations.

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, pursuant to Standing Order 36, it gives me great pleasure to present to the House a petition signed by people in the Ottawa-Carleton region.

They are calling upon this government to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations. In other words they want education to be untaxed by the government.

• (1520)

Mrs. Diane Marleau (Sudbury): Mr. Speaker, today I am presenting a petition from people from southern Ontario who are extremely distressed at the coming of the goods and services tax.

The petitioners ask that the government withdraw this bill because they feel that it will be partially invisible, that it will be extremely harsh on middle and low income Canadians, that it comes at an extremely difficult time when we are in the midst of a recession, that it will cause increases in interest rates and prices to rise, and that it will cause a great deal of hardship.

The petitioners wish that this government would not only listen but lend a hand and help the Canadians through this recession by not imposing this tax.

ABORIGINAL RIGHTS

Mr. Jim Peterson (Willowdale): Mr. Speaker, I rise to present a petition signed mainly by western Canadians but by people from right across Canada.

They humbly indicate that they expect the government to act immediately upon its authority and responsibility and deal in a just manner with the struggle of all aboriginal peoples in Canada to have their land claims and rights properly addressed.

The petitioners warn that inaction on the part of the federal authorities will continue to antagonize race relations in Canada and provoke dangerous and ignorant acts of racism.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, if the persons who signed this petition had been here yesterday to witness the spectacle of the Tory hacks in the Senate voting down the very reasonable amendment of the Liberal minority in that body to exempt books and printed material from the ravages of the goods and services tax, I am sure they would have been violently ill.

They have signed a petition calling on Parliament to reject the goods and services tax in so far as it is applied to books and not to agree with the hard-hearted grasping and greedy attitude of the Conservative majority in this House, and now apparently in the other place, which will tax unfairly and uniquely publications and books in Canada that are not taxed anywhere else on the face of the globe in a civilized country.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, pursuant to Standing Order 36, I present a number of petitions from a large number of Canadians who oppose the GST.

This new tax will cause higher inflation, higher interest rates, higher unemployment, and of course will deepen the recession.

The petitioners humbly pray and call upon Parliament to reject this goods and services tax.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I stand today pursuant to Standing Order 36 to present to the House yet another petition from people of Canada who are fed up with this government's goods and services tax.

The members across might find it funny, but I challenge those members to unplug their ears and start listening to their constituents. If they unplugged their ears and started listening to their constituents very carefully, they would find out that 85 per cent of the people hate this tax.

The minister should do something about it.

The Acting Speaker (Mr. Paproski): I see that the hon. member for Willowdale is rising again. I am afraid he has only one chance to put his petitions forward. He can try again tomorrow.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I note that the Minister of Finance is in the House. Perhaps he is listening to opposition members presenting these petitions.

We are simply reiterating and indicating to the House the desire of the overwhelming majority of Canadians, that is, for this Minister of Finance who sits here smirking in his seat today—

The Acting Speaker (Mr. Paproski): I wish the hon. member would get to his petition, please.

Mr. Nunziata: Mr. Speaker, I will withdraw the comment about the smirking. It wasn't smirking. I think it was a deep felt laugh.

The Acting Speaker (Mr. Paproski): The hon. member for Calgary Northeast.

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

The Acting Speaker (Mr. Paproski): I will not recognize the hon. member on a point of order until I finish with petitions. I may come back to the hon. member.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have a series of petitions that asks the Government of Canada to withdraw the goods and services tax, especially since it is so unfair as far as reading materials are concerned.

I have other petitions from across Canada that ask the government to withdraw the goods and services tax. I hope the Minister of Finance who is here is going to listen.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have the honour to present a petition to the House today on behalf of numerous Canadians.

They petition the House to have the government withdraw this awful, terrible tax, the GST which this group of money hungry Tories is trying to impose upon the Canadian public.

Mr. Derek Blackburn (Brant): Mr. Speaker, I too rise under the provisions of Standing Order 36 to present a petition signed by many Canadians from the Dartmouth–Halifax area of Nova Scotia.

They call upon the government to withdraw the GST, and they say that this tax is simply part of the right wing agenda to shift the tax burden of Canada on to ordinary Canadians and away from the wealthy and corporations.

BILL C-284

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I too rise under the appropriate Standing Order to present a petition signed by many people from Coquitlam, Port Moody, Port Coquitlam in my riding and by people from the greater Vancouver area.

They say that the cable industry should be regulated like the telephone industry because it too is really a monopoly. The cable companies made an average 32 per cent profit on their assets in 1988, more than twice the level of the telephone company. Cable bills have been increasing at the time when telephone prices have actually been dropping.

The Acting Speaker (Mr. Paproski): Would the hon. member get to his petition.

Mr. Waddell: Yes. The undersigned, your petitioners, humbly pray and call upon Parliament to adopt Bill C-284, which is a bill to apply rate of return regulations to the cable industry.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my privilege today to rise pursuant to Standing Order 36 and once again present a petition against the goods and services tax on behalf of people in Canada.

These people have stated that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax, while forcing lower and middle income taxpayers to bear more and more of the national tax burden.

They are calling upon Parliament and this government to cease with the proposal that would bring in a goods and services tax against the people of Canada and to bring in a fair taxation system for all Canadians.

Mr. John Nunziata (York South—Weston): Mr. Speaker, thank you for the opportunity to present to the House another one of many petitions calling upon the Minister of Finance and the Conservative government to withdraw immediately the regressive and unfair goods and services tax.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 344, 346, 352, and 356.

[*Text*]

APPLICATION OF THE GST

Question No. 344—**Mr. Harvard:**

In the event of the GST not being passed by Parliament, will the government return the tax, with interest, to the Canadians who have been required to pay it?

Hon. Otto John Jelinek (Minister of National Revenue): Until Bill C-62 receives Royal Assent there is no legal liability for the payment, collection and remittance of any applicable GST. One of the transitional rules contained in Bill C-62 does provide, in part, that Canadian businesses which supply goods to be provided or services to be performed after 1990 are required to *account for* the proposed seven per cent Goods and Services Tax on January 1, 1991, on prepayments made between September 1, 1990, and January 1, 1991. The Department has encouraged businesses to comply with this transitional rule but has emphasized that there is no obligation or authority for them to actually collect the GST.

If certain businesses are collecting GST on transactions straddling the implementation date, they are doing so on a voluntary basis in preparation for the GST. Under the proposed legislation, vendors will not be required to remit any GST collected until their first GST return for 1991 is due. Consumers are, therefore, under no legal obligation to pay the GST prior to the legislation being passed. If they do, it would be up to the business concerned to compensate them for the GST paid, in the event that the proposed legislation is not passed.

CANADIAN FORCES SUPERANNUATION ACT (SUPPLEMENTARY DEATH BENEFIT)

Question No. 346—**Mr. Harvard:**

When will the Armed Forces Pensionners and Annuitants be informed that the supplementary Death Benefit under the Canadian Forces Superannuation Act, will be increased to at least $3,000?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): A review of the Supplementary Death Benefit portion of the Canadian Forces Superannuation Act is included as part of the Public Service pension reform initiative currently in progress. This and other pension reform matters will be given careful consideration and an announcement regarding the timing and content of amending legislation will be made at an appropriate time.

CONFERENCE FOR CORRECTIONS CANADA IN HONEY HARBOUR, ONTARIO

Question No. 352—**Mrs. Stewart:**

Did the government hold a conference for Correctionals Canada in Honey Harbour, Ont. in September 1990 and, if so (a) what was the total amount of money spent (b) how many people attended (c) what is the place of employment of each participant (d) did those in attendance receive a travel allowance and if so, what was the total amount spent (e) did the government pay hotel accommodation for each participant and if so, what was the total amount spent on hotel accommodation?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Yes. A Case Management Conference was held from September 11 to 14, 1990 in Honey Harbour, Ontario for 138 delegates from the Correctional Service of Canada and 4 from the National Parole Board.

(a) The amount of money spent was $71,395.80.

(b) There were 142 delegates and 10 guest speakers at the Conference.

(c) The place of employment of the delegates is a follows:

Institutions	
Collins Bay Institution	13
Frontenac Institution	2
Bath Institution	5
Millhaven Institution	7
Prison for Women	6
Joyceville Institution	14
Pittsburgh Institution	1
Kingston Penitentiary	7
Regional Treatment Centre	2
Warkworth Institution	5
Beaver Creek Institution	2
Parole Offices	
Kingston Case Preparation	10
Kingston Case Supervision	1
Peterborough	7
Ottawa	6
Sudbury	2
Timmins	1
Barrie	2
Toronto Downtown	5
Toronto East	1
Toronto West	3
Team Supervision	2
York/Durham	2
Keele CCC	3
St. Catharines	1
Brantford	1
London	2
Guelph	3
Hamilton	5
Windsor	2
Laval	1
Others	
Regional Correctional Staff College	4
Regional Headquarters	3
Pilot Projects	4
NHQ	2
Regional Headquarters Quebec	1
National Parole Board	
NPB Ottawa	2
NPB Kingston	2

(d) & (e)

The costs incurred by delegates represent accommodation, meals, incidentals and overall travel expenses. The cost for double occupancy rooms was $110.00 per day. The cost for single occupancy rooms was $140.00 per day. Of the 142 delegates, 10 occupied single rooms. Meals for the Conference were included in the cost of the room. Meal allowances in accordance with Treasury Board guidelines were provided to delegates on travel days only. Some costs are approximate as not all travel claims have been finalized at this time.

	NUMBER OF PARTICIPANTS	COSTS
Institutions		
Collins Bay Institution	13	$4,635.00
Frontenac Institution	2	838.00
Bath Institution	5	1,537.00
Millhaven Institution	7	2,688.00
Prison for Women	6	2,143.50
Joyceville Institution	14	5,582.50
Pittsburgh Institution	1	277.25
Kingston Penitentiary	7	2,674.75
Regional Treatment Centre	2	947.00
Warkworth Institution	5	2,166.25
Beaver Creek Institution	2	819.00
Parole Offices		
Kingston Case Preparation	10	3,812.40
Kingston Case Supervision	1	473.50
Peterborough	7	2,384.50
Ottawa	6	2,487.12
Sudbury	2	758.00
Timmins	1	543.20
Barrie	2	465.50
Toronto Downtown	5	1,842.00
Toronto East	1	358.50
Toronto West	3	1,092.00

Team Supervision	2	693.00
York/Durham	2	775.00
NUMBER OF PARTICIPANTS		**COSTS**
Keele CCC	3	1,137.00
St. Catharines	1	379.00
Brantford	1	426.12
London	2	700.00
Guelph	3	1,137.00
Hamilton	5	2,024.05
Windsor	2	800.00
Laval	1	640.00
Others		
Regional Correctional Staff College	3	896.25
Regional Headquarters	3	1,181.80
Pilot Projects	4	2,146.50
NHQ	2	1,582.94
Regional Headquarters Quebec	1	1,758.00
Guest Speakers (contract and travel costs)	10	12,457.00
Bus rental		1,010.20
T-Shirts for planning committee and guest speakers		430.00
Name tags		31.00
National Parole Board		
NPB Ottawa	2	1,626.12
NPB Kingston	2	1,039.85
		Total
		$71,395.80

CMHC LEGAL FEES

Question No. 356—**Mr. Milliken:**

For (a) 1989 (b) 1990 what was the total amount spent in legal fees by the Canada Mortgage and Housing Corporation to settle wrongful dismissal suits filed against them by former employees?

Hon. Alan Redway (Minister of State (Housing)): a) & b) Total $11,104.10

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the parliamentary secretary have been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIRPORT TRANSFER (MISCELLANEOUS MATTERS) ACT

MEASURE TO ENACT

Hon. Doug Lewis (Minister of Transport) moved that Bill C-85, an act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to have the opportunity to move second reading of this bill which refers to miscellaneous matters related to the transfer of airports to local airport authorities.

• (1530)

This bill will permit negotiations to proceed to effect those transfers and to fulfil the objectives of the government's policy in this matter.

The federal government's airport transfer policy dates back to 1987 when discussions began on the basis of certain broad principles of the terms and conditions for the transfer of federal airports to local interested parties. Supplementary principles to guide the negotiations were approved in May of 1989.

Our objectives from the beginning were to allow the airports to better serve the local community interests; to enhance regional economic development potential; and to permit the national airport system to operate in a more cost-effective and commercial manner.

Our aim with this policy is to enhance the efficient, commercial operation of federal airports through a more locally responsive management structure.

I should point out at this time that all of the aviation matters, the public safety, the airport fire and emergency response mechanisms will remain with Transport Canada.

But with local authorities at the controls, airports will be quickly able to respond to changing needs and market forces with innovative ideas.

The flexibility that will be afforded to the local airport authorities will enable them to take advantage of the entrepreneurial opportunities that present themselves, and will help them to directly contribute to regional development initiatives.

In the 1987 policy statement and the supplementary principles of 1989, the government prescribed conditions under which airports would be transferred to local authorities. Two of those conditions are of particular importance, and I would like to emphasize them here today.

First, permanent employees must be offered work by the local airport authorities with pay and benefits comparable to what they received in Transport Canada. It is a fundamental principle of the airport transfer process that the employees be fairly treated by the local airport authorities.

Second, on the financial side, current and forecast net revenue generated by the airport must be guaranteed to the government along with a share of the increased revenue produced by the local airport authority.

Intrinsic to this whole process, Mr. Speaker, is the fact that the government has recognized that airport employees must be properly looked after. Airport staff are dedicated and skilled professionals and this bill, along with the principles of the transfer process, will ensure that they are treated fairly and equitably.

Early passage of this bill will greatly contribute to allaying the fears of affected airport site employees by dealing with their major concerns. For example, the proposed legislation would give affected employees a year to decide whether to transfer their federal pension benefits to the new local airport authority pension plan.

Employees' collective agreements would be continued by the legislation until they expire or are replaced. The Canada Labour Code and the mandate of the Canada Labour Relations Board would be applied to deal with labour relations issues at and after the time of transfer.

The airport transfer legislation would also ensure that the local airport authorities continue to provide bilingual services to the public at federal airports.

In all of this, I want to assure the House and emphasize that airports are not being privatized. They are being transferred—and my hon. friend from New Brunswick would do well to talk to the people of Moncton who want a local airport authority, so I think before my hon. friend gets too far down the tangent of being opposed, he ought to check with the people back in the region of Moncton and New Brunswick.

An hon. member: Right, right.

Mr. Lewis: Go home once in a while. Check with the people back home. If they recognize you, they will tell you that they want want a local airport authority in Moncton, and here my hon. friend is opposing it. I want the people of Moncton—

Some hon. members: Oh, oh.

An hon. member: Quiet down.

The Acting Speaker (Mr. Paproski): The hon. Minister of Transport has the floor on debate. The hon. Minister of Transport.

Mr. Lewis: Mr. Speaker, before I was rudely interrupted by the member from New Brunswick who objects to Moncton getting a local airport authority—

Mr. Dionne: My riding is Miramichi.

Mr. Lewis: Miramichi. I will check that. Maybe we can do one there too.

Individuals or private companies will not directly own or lease the airports. The federal government is committed to this policy and the transfer of these airports to local airport authorities has been among my top priorities since I took this portfolio.

We want to see this bill become law because there has been so much interest shown it. I have met with a number of community groups who are extremely enthusiastic about seeing their airports transferred to local

airport authorities. The process is now well-established and the pace of progress is gathering momentum.

I can report to the House that substantive negotiations are well under way with local airport authorities in Montreal, Calgary, Edmonton and Vancouver. These four local airport authorities have received the federal lease rental formula and financial negotiations have been initiated with each of the authorities. Formal transfer to these local airport authorities in the interested communities could take place as early as mid-1991.

I should point out to the House that there has been a learning curve on this and in the negotiations with the first four interested parties we have learned some things, things not only that we would do differently to improve the process but things that we can tell the local airport authorities they can do, so that we can come to a decision more quickly.

As I said to my hon. friend, there is substantial interest in communities such as Thunder Bay, represented in the House by a Liberal member and New Democratic member, and the city of Moncton represented by a Liberal member, Quebec City which naturally has all the Progressive Conservatives representing it, Windsor which is represented by the Leader of the Opposition, and Winnipeg which unfortunately has substantial representation from the Liberal Party.

This is an important piece of legislation. It is consistent and complementary to our government's desire to bring the national air transportation environment some rationality and some efficiency. We believe that this can best be accomplished by the application of the spirit of competition that resides in the public sector. This is the reasoning behind our proposal at Pearson, to select a competitive contractor to modernize and operate Terminals 1 and 2, the non-air process of the airports in the interest of that particular region.

As I said earlier this month, we see no need for the Government of Canada to be involved in the commercial aspects of running an airport. We are looking at leasing because we want the hammer of the lease rather than selling and that is why we are doing it this way.

Also, this fits in with our impetus to initiate negotiations with the United States to establish a bilateral air agreement which will provide better and more frequent air service and foster economic growth.

My hon. friend, being a citizen of New Brunswick, will know the interests of Moncton in achieving greater operation and greater air routes into the United States from Moncton. My hon. friend from Toronto will know that the members from Winnipeg want better access to Winnipeg and from Winnipeg for Canadian airlines and for the people of Winnipeg. That goes for Edmonton and all of the major cities that want better access. That is why this fits in with our local airport authority initiative.

These changes are all in an effort to stay ahead of the rapid growth in aviation in this country. I would say to the House that none of this diminishes in any way the dedication of Transport Canada to providing a safe and secure transportation system. This is a very strong theme, as I learned when I took over this portfolio and it continues. What we want from the local airport authority is this. We want them to be in an even better position to transfer to the local airport authority the energy of the community, to expand the operations at the airport, the non-air operations, the aircraft maintenance, and the aircraft sales, and the parts.

• (1540)

I say to you, Mr. Speaker, that is possible with this bill. It turns it over to the local authorities to manage the airport. We feel that with the flexibility they would have *vis-à-vis* some of the restrictions that we naturally face in government that we will have a better airport system and we will have more growth at the regional airports.

These are a very few brief remarks to introduce the bill. We think it is good legislation which will benefit the communities of Canada that have the major airports and I would urge the House to adopt it.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased on behalf of my colleagues in the Liberal Party to respond to Bill C-85 which, as the minister has just said, provides the legal framework for the transfer of the management of airports to local authorities. Since the concept of the transfer of airport management to local authorities is new, it obviously requires some new legislation.

This bill cannot be looked at in isolation. Bill C-85 cannot be considered without taking other over-all policies of this government as they relate to all modes of transport, particularly in the air, into consideration. Philosophically speaking, I and my colleagues are quite concerned and opposed to the general transfer of authority that has flowed from this government to provincial governments, and now to municipal governments, and to private industry.

What the minister has to recognize, and what the government must recognize is that there is a transportation network in all modes in this country that is absolutely immense, that touches all parts of the country, all Canadians and therefore requires a national set of standards regarding the implementation of our transportation system.

That is not to suggest that we on this side of the House are opposed to having local municipal councils and local community organizations co-operating more fully with the federal government in promoting their local airports. We are not opposed to that. In fact, we have suggested to the minister, concerning the noise of aircraft at Pearson, which affects my riding, that an ombudsman be appointed. The ombudsman could establish a working committee with the local communities so that their concerns would be heard, and when aircraft are flying overhead at three in the morning, and they call the local complaint number, they would not just get a recording. What kind of rapport is that?

We are not opposed to a greater working relationship with the local communities and the local councils. In fact, we have been on record as suggesting and requesting more of that.

But that does not mean that the only way to strengthen relations is by transferring authority away from the federal government to those communities. The fact of the matter is that working side by side with the federal government is also a possibility, and that the two streams are not incompatible.

Therefore, when looking at Bill C-85 you have to take into account the over-all deregulation policy of this government. What does this government say to Canadians when it comes to the question of deregulation in the transport industry, particularly in the air? The first thing is: "Don't worry. It is good for the consumer. It is going to mean lower air fares". The reality of today is that not only have those air fares gone up, but they have gone up higher and quicker than the rate of inflation.

Mr. Speaker, if you wanted to go to Vancouver today and were going to go to the travel agency, you would find that the increase on those tickets was higher than the cost of inflation. Not only have they stayed the same, but in terms of proportional increases, deregulation has not been the messiah for reduction of air prices that the government has promised.

The only reductions are for booking well in advance, three, four, five, or six months. We had that too before deregulation, so that is simply a non-starter.

It also said that deregulation is going to bring greater competition and greater diversification. Again, a fallacy. What is the reality today? The reality is that we have a concentration and monopolization in terms of the air industry. Under deregulation, 14 regional carriers have been gobbled up by Air Canada and Canadian. Why? Because those air carriers in the economies of scale have moved into the communities, adopted the squeeze play, lowered their fares, and through economies of scale have been able to sustain themselves. In the meantime, the regional air carriers either have gone belly up, been gobbled up, are on the verge of bankruptcy, or are operating with a terrible bottom line.

That is the reality of the messiah that was supposed to be deregulation in terms of diversifying the industry.

It also said that we are going to provide better service for the regions. Once again, look at the facts. Look in your own backyard of western Canada, Mr. Speaker. Look at what my colleagues have been saying in the House from Atlantic Canada. Look at what my colleague, the hon. member for Western Arctic, has said from northern Canada in terms of jet service.

Jet service has been abandoned in many regional centres across Canada. We have had regional jet service removed and put onto the more popular runs. Not only has there been a reduction in service, but the quality has suffered. The quality of service is a bottom line of government. It may not be a bottom line of private enterprise, but it is a bottom line of governments and this institution.

What about safety of aircraft and safety at our airports? Both in the United States and here at home, since the dawning of deregulation the experience has been that safety on both fronts has suffered because some of those companies in the airline industry have cut corners and have been allowed to cut corners. That is of concern not only, of course, to this side of the House, but to Canadians in general.

What about job security under the advent of deregulation? I remember when the minister announced the movement to privatize Terminals 1 and 2. He said this in the context of a larger quote, I admit. One of the things he said is: "I am not in the business of saving jobs." I have news for this minister. Every minister is in the business of saving jobs. They are in the business of promoting, increasing, and developing new jobs to be sure, but he is, and they are also, as part of the government, in the business of trying to save those jobs that we have today.

We know the miserable state of affairs generically speaking, particularly in the transport sector. We have seen the situation in Air Canada, almost 3,000 employees. We have seen it in Worldways. We have seen it in CN Route. We have seen it in the train industry with the VIA cuts.

There is also a quote of July 16, 1985 of the hon. Deputy Prime Minister, the member from Alberta, who suggested: "The government will monitor the effects of change on employees and will try to respond to any adverse consequences as humanely as possible." This was a quote in response to the privatization of Air Canada.

Where is the humane response to the first 3,000 people who have been unemployed as a result of Air Canada tightening its own seat-belts? This may be the first shoe to drop. Where is the humane response? There is none. Therefore, we have one thing being said before its deregulation policy and privatization, and we have a very different reality today.

• (1550)

What about the privatization of Air Canada, not only in terms of the job benefits, but of the investments that people have made? People have lost money on their investment. Air Canada has not been as adamant in protecting those jobs as it was when it responded to the government.

We cannot only look at Bill C-85 in isolation. We need to take into account deregulation. We need to take into account the privatization concept that has fuelled the privatization of Air Canada? And what about the privatization of airport terminals?

We have in my own city at Pearson Airport a private terminal, Terminal 3. The government has never answered the fundamental question of how does the privatization of Terminal 3 benefit the average taxpayer and the travelling public in the country who are going to be using Terminal 3? More questions have been raised than answers forthcoming from the government.

What about the bidding process for Terminal 3? That is under a dark cloud of many allegations. What about the costs of goods and services in Terminal 3 for the so-called travelling public?

Even the Auditor General had questions in terms of his last report to Parliament about the privatization of Terminal 3. He stated in his report on page 736, under section 30.84:

> The Department should conduct a post-project analysis to identify lessons learned from the Terminal 3 project. As a minimum, this analysis should address methods for analysing options and safeguards to protect the interests of the Crown.

To protect the interests of the Crown. He goes on to state:

> It should form the basis of an improved methodology for handling such private sector developments in future.

I believe that the Auditor General was being very diplomatic and couching his language in terms of some of the things that I am sure will be unearthed in the coming days, weeks and months with regard to the operation of Terminal 3 at Pearson International airport.

Also, what about the moves to greater privatization of Terminals 1 and 2 at Pearson which is the flagship airport. It is the principal airport of our country and basically the hub of all aircraft activity.

What about the 14,000 jobs that are currently at Terminals 1 and 2? Given the general economic outlook of the land, do you not think that these employees are also worried for their security at their job site? Has the minister given any forms of guarantee that those jobs will be protected? Will they be the same guarantees that the

government talked about in terms of providing job security for Air Canada employees?

There are many questions that have been raised and many questions that have gone unanswered. The other question with regard to Terminals 1 and 2 is how the government proceeded by putting the cart before the horse? It accepted a number of untendered bids from private firms to privatize Terminals 1 and 2 and then, months after, responded to those bids in a positive way.

Normally, the way governments operate is not do it piece-meal, one airport at a time. They do it on a comprehensive basis if they believe in it. Second, they set the incentives and the parameters for those policies. They do not generally respond to private firms and private interests, allowing them to dictate the policies of the day. Rather, the government, as a national institution, should speak up on behalf of the entire transport industry and the country.

What about the regional services? Does it mean that the less popular runs will be abandoned in terms of jet service to the regions, as I mentioned earlier?

What about the fact that open skies will now be coming? That is another issue which has to be taken into account when we talk about the greater tendency to privatize and to delete the authority from the central government? What about the open skies concept?

We know that the Minister of Transport and the government is prepared to deregulate the 1974 air agreement that exists at the moment between Canada and the United States. Essentially, this amounts to free trade in the sky. We know what the advent of the free trade agreement has brought, in terms of job losses and plant closings. Although Canadians may favour modifying any existing agreement, I do not see the political green light there, as yet, to suggest a complete deregulation of that agreement.

Can we compete under an open skies concept with the United States of America? Does the government recognize that, in terms of air carriers, the Americans have perhaps a dozen major airlines that could compete and we have only two major airlines? Does the government take into account that American Airlines alone has over 500 aircraft, while Air Canada has 104 and Canadian has 90? Our two major airlines combined do not have even one-third of the air carriers of just one major American airline company.

Reduced air fares are promised if we open up the skies between the United States and Canada. I recall the government also promising that with the advent of deregulation. It has not happened under deregulation and many people would be skeptical, at the very best, if it were to happen under an open skies arrangement.

The government also promises greater diversification and greater competition, allowing a greater number of Canadian air carriers to be established with the advent of open skies. I believe there will be a greater monopolization—a great centralization, if you will—so that airlines can reduce the operating fat so they can go head-to-head with the American competition. Possibly, rather than diversification, there will be either a merger between Air Canada and Canadian Airlines that will confirm the monopoly state of our airline business or, if this government allows a wide open open skies arrangement, we will probably see our airline industry under American ownership in the very, very, near future. The question is, are Canadians prepared to see that happen? I believe they are not.

What about regional service under an open skies concept? Is it not logical to think that the American air carriers will be more interested in reaching a number of our major centres, rather than the regional centres of our country in the outlying parts of Canada? I do not believe that the bottom line for American Airlines is to be necessarily servicing Goose Bay, Moncton, northern Ontario, northern Canada, or western Canada for that matter, outside of the cities of Vancouver, Edmonton, Calgary, Toronto, Montreal, Halifax.

This country is larger than just those centres, particularly for Canadians who have seen rail travel abandoned in Atlantic Canada. Their jet service has been reduced. Now, with the advent of greater American competition, there is going to be a big question: "Will they have the kind of quality service?" If we do not have quality service on the rails and if those parts of the country do not even have proper highways, and now we are not going to have proper air service, then how do we expect those Canadians to travel? What kind of quality are we talking about in terms of the transport sector? Is it going to mean that it depends where you live in the country? Is that what we are reduced to when we speak of our transportation sector?

What about national symbols? Quite frankly, I believe Canadians do give a damn, when they get into an airplane, what the symbol is on the tail of the airplane. I believe that they would rather see the maple leaf on the tail of many aircraft, rather than the red stars and stripes of the United States, as great as they are and as big as they are in travel, and God bless them all.

• (1600)

Why should we not have some sense of national pride in who moves us across this beautiful, vast country called Canada? There have been a lot of industry analysts who have suggested that unless we provide the safeguards, and the minister is very keen on quoting Air Canada and Canadian as being supporting of the open skies concept, but every quote by every spokesperson for both Air Canada and Canadian that I have read has always said that they require negotiated safeguards as a bare minimum.

That is not open skies. That is not on a level playing field. That is a re-regulation of the current agreement, a modification upon conditions, and not a deregulation of the 1974 agreement completely. Industry observers say that Canada's two major airlines may not survive in the face of the United States competition, or at least not in their current form.

Steve Garmaise in the *Financial Post*, which this government loves to quote day in and day out, an analyst for First Marathon Securities Ltd., has predicted that Air Canada and Canadian Airlines may have to merge international routes within five years if U.S. carriers compete head to head with Canadian air carriers.

Tony Hine, an analyst for ScotiaMcLeod Inc. said that two airlines might have to become feeder services to larger U.S. air carriers. That is on another front called the open skies.

We also have a move to once again privatize user fees on the altar of cost recovery on the basis that the government does not have the necessary capital or perhaps does not attach the necessary priority on having the necessary capital with respect to cost recovery programs.

In the shipping industry the government may in fact, upon consultations that will be completed on February 1, try to raise $25 million through imposing new fees that have never been imposed before on shipping companies which use the services of our national Coast Guard.

Does this government recognize that our shipping industry is one of the greatest success stories in the Canadian transport industry, so much so that the Americans were not willing to compete with us in the shipping industry, and is on a troubled course as it is right now, that shipping has gone down 10 per cent, that jobs have been lost in the shipping industry as well and that any increase in additional fees will only serve to destabilize shipping industries?

When we speak of the interests of Quebec, the Port of Montreal and the Port of Quebec City and the large shipping infrastructure in that province, we are going to impose on the province of Quebec—and I see some colleagues from that province on the opposite side—over half of the $25 million to be raised from the province of Quebec's shipping industry, namely $14 million out of the $25 million in terms of increased costs. Does the Quebec shipping industry want that? Is that going to make it more competitive along the seaway in terms of competing internationally? I think not.

What about the cost recovery program in terms of landing rights at our airports across Canada? My colleague from the province of New Brunswick stood in his place today. My colleague from northern Canada, the hon. member for Western Arctic, stood last week. People in our caucus in western Canada suggested that the cost recovery basis in terms of landing fees is simply unfair, inequitable and unworkable. Up to now the landing fees have taken into account that smaller aircraft travel shorter distances, carry fewer passengers and charge less in terms of ticket fares and therefore generate less revenue. Therefore, the landing fees for smaller aircraft take into account those variables.

Now the government is contemplating abandoning those variables and suggesting that the landing fees should be based on only a proportional weight of the incoming aircraft. What will that mean? It will mean two things. First, smaller aircraft will pay proportionately greater amounts to land in the airports than larger aircraft. Second, the regional airports in the regional

hinterlands of Canada will have to pay greater amounts of money because they have the greatest amount of smaller commuter feeder airlines, which means that those costs will be passed on to the travelling public.

It has been estimated that in regions such as Atlantic and western Canada the travelling public will pay upward of 25 per cent more for their tickets of airlines' smaller Dash-8 service as a result of those airlines having to pay greater amounts of dollars to land at the respective airports. For instance, in St. John's the Dash-8 increase will be 32 per cent. In Gander, it will be 12.7 per cent and in Deer Lake, a 57.2 per cent increase in landing fees. In Goose Bay, there will be a 67 per cent increase in smaller aircraft services compared to larger jumbo jets with increases of upward of 10 per cent in metropolitan Toronto through Pearson airport.

Is this the government's idea of equity across the country? Is this the way it will balance the needs and aspirations of Canadians who do not happen to live in the large urban centres? Is that what the government means when it talks of a policy of regionalism? I would suggest that it is an absurd view of this country that not only will not work, but will not be acceptable to and tolerated by Canadian citizens across the country.

It is for those reasons that I am opposed to the general benchmark of decentralization, deregulation and privatization policies of this government. The dreaded DDP, decentralization, deregulation and privatization. They are linked. You cannot look at one without isolating and looking at the others. Therefore, in terms of the specific concerns on Bill C-85, we have a two-track approach; we have to link them with the other policies that have been enunciated and also begin to cross the *t*,s and dot the *i*,s in terms of what it means to local authority transferships.

Number one, what about the responsibility of safety and security? We have had the experience under deregulation. Does this mean now that in a transfership to local authorities that the security and safety aspects of all types of transport modes will be sacrificed? If it is, is it worth the price of transferring holus-bolus authority to local communities and local cities? I think not.

No. two. What about the guarantee of job security? We have seen the results in terms of deregulation and privatization. Does this mean now that in the transfership of local authority, we are also transferring the guarantee that has normally been there in terms of job security, particularly now that this government has finally admitted that we are currently in a recession?

Bill C-85 does not satisfy the conditions in terms of job security for airport employees. New managers will have full control over the work force. If they were to decide, for instance, that 20 employees are going to be laid off, a simple six-month notice is all that is required. Because Transport Canada is inclined to focus on maximizing service to the public, a higher number of employees are often required and the fact of protecting those jobs is certainly a higher priority under a national government control. Although the collective bargaining process and agreement will remain in place, the bargaining power of individual members affected by the transfer will be greatly reduced.

The Union of Canadian Transport Employees, for instance, which represents most of the airport employees, presently numbers a membership of 12,000 strong.

• (1610)

This represents, Mr. Speaker, logically—and you are a man of logic, unlike many of your colleagues—a strong bargaining case. For example, if Edmonton was to transfer the authority from the federal government to the local authority, the membership there would be reduced to 125 people, therefore greatly reducing their bargaining power.

If you are an employee and part of a membership of 125 or if you are an employee and part of a membership of 12,000, and someone has to speak for you, which one would you as an employee choose? Obviously, you would choose the larger one because they are interested, unlike members who yell.

I look forward to the members having the courage to get up in their place and speak. Maybe they are not concerned with employees protecting their jobs, but the Canadian people are certainly interested because they have to make ends meet at the end of the month.

In terms of the third issue—I will be going into this in some detail a bit later on—what about the provisions of the Official Languages Act that do not all apply in Bill C-85?

Fourth, what is the bottom line of local authorities? The bottom line of governments is a bottom line that suggests there is something greater than simply the financial bottom line. There is a bottom line in quality of service, in equity of service, in protection of jobs and in the protection of safety in travelling across this vast country.

The bottom line of local authorities may in fact be very different than the bottom line of governments. Therefore, we will have a clash between what is in the interest of the private as opposed to what is interest of the public good.

Fifth, what about the expertise and experience of Transport Canada in running our airports across this country? Will the experience of those who have worked long and hard in the transport field across the airports and their expert knowledge be lost? What kind of variable will that have in terms of the safety evaluation and safety equasion?

Sixth, will local authorities be allowed at one time or another to impose local increased taxes on their municipalities to make up the shortfall for their airports? Has this government thought that out? If we were to transfer the authority to Edmonton or Vancouver, in a few years time they will increase the municipal tax base in order to make up for some shortfalls at the airports. Is that right?

I suggest it is not right because those airports are part of a national service. If there is an airport in Edmonton, it is not only Canadians from that city who use that airport. It is Canadians from all over the country. Therefore, that burden must be equally shared.

What about number seven, local authorities having a double standard. That is to say, local authorities would be lining up to get the authority for the very popular often used airports.

What about the less used airports in the north, in the east and in the west? Will authorities rush to try to obtain the authority and power over those airports? If they do not, we are going to have two tiers. We are going to have local authorities at the popular airports, and the Government of Canada in the other airports.

What is that going to mean in terms of the service for Canadians at all those airports? We obviously are getting into a different bottom line arrangement with this government. Canadians and Liberal members on this side do not like it.

I mention this briefly because I believe I only have about five minutes left in this discourse. I would love to continue. I might if members on the opposite side are so disposed, but I and members in my party are concerned about the application of the official languages component to Bill C-85.

There is a strong concern whether the federal principle of bilingualism is going to be safeguarded and protected.

The minister will know that the Official Languages Act is divided into 12 parts. In fact, a number of those parts are not entirely interested in terms of local authority. That is why it is obvious that parts I, II, III, VI and VII 7 are not included in Bill C-85. They are not legitimately relevant.

However, it is not so obvious why Part V–Language of Work, Part VI–Participation of English Speaking and French Speaking Canadians, and Part VII–Advancement of English and French are not included in Bill C-85.

The operative clause in Part V states:

> English and French are the languages of work in all federal institutions, and officers and employers of all federal institutions have the right to use either official language in accordance with this Part.

> It would seem anomalous to have a Part of Bill C-85 which reports to protect the use of both the French and English languages in relation to the public, if the employee's use of either language is not protected.

Why is Part V of our Official Languages Act not applicable in Bill C-85?

Part VI states:

> This Part states that the Government of Canada is committed to ensuring that English and French Speaking Canadians without regard to ethnic origin or first language have equal opportunities to gain employment or advancement in federal institutions. The workforce in particular federal institutions should also reflect the presence of both official language groups.

> Again, this is a Part of the Official Languages Act which is designed to protect workers of both groups.

It is not part of Bill C–85. It is difficult for my party and I to understand the rationale behind that glaring omission.

Part VII reads:

> This Part states the commitment of the Government of Canada to enhancing the vitality of English and French linguistic minorities in Canada and fostering the full recognition and use of both English and French in Canada.
>
> The task of doing the above is given to the Department of Secretary of State. This department is given the right to encourage and co–operate with the provinces and the public in general to accomplish the mandate given to it by this statute.

We are asking on this side of the House why Part VII is omitted from Bill C–85 and thus the Department of Secretary of State is not permitted by legislation to carry out its mandate under this very important part.

I urge the minister who is present in the Chamber to reconsider the words he spoke earlier. In fact the Official Languages Act is absolutely not protected in three crucial parts of its 12–part mandate. That is not in keeping with the Prime Minister's so–called goals of national reconciliation, of somehow having peace between our linguistic duality, and of increasing the opportunities for all Canadians regardless of their ethnocultural extraction.

In this bill is an abandonment of those principles by virtue that it does not permit three of the twelve parts in our Official Languages Act to govern equality among our linguistic groups, and that is a shame.

In conclusion, we are very distressed on this side of the House that this government has allowed its perverse sense of decentralization as contained in this bill. Deregulation is the messiah of the Tory government for Canadians. Privatization is hurting the transportation industry and is hurting Canadians. It has not improved the transportation industry. It is sinking our shipping industry. It is derailing our trains. It is stopping and stifling our aircraft on the ground.

I have much respect for this minister. I hope that he still has time enough to turn things around. This government is going through some turbulent times. This bill will not improve it. This bill will aggravate it.

• (1620)

We will fight decentralization, deregulation, and privatization with every Canadian fibre that we have.

Government Orders

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise first to make it very clear to the hon. minister that members from this side of the House are unalterably opposed to privatization and deregulation in the method in which the minister and his government are introducing them.

However, when I listened to the minister and when I listened to my colleague from the Liberal side of the House, I was kind of concerned at the beginning because I had the feeling that we were indeed talking today about privatization and deregulation.

It is my understanding that the privatization and deregulation of airports are being done by regulation and not by this piece of legislation. This piece of legislation is talking about the workers and how the benefits, support and collective agreements of the workers will be protected.

This bill is entitled: "an act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports." Having looked through the bill, having listened to the minister, and having listened to my colleague from the Liberal side of the House, it becomes more and more clear that the minister has cherry–picked his way through a number of pieces of legislation: the Official Languages Act, the Public Service Superannuation Act, the Supplementary Retirement Benefits Act, the Canada Labour Code, Part I, and the Public Service Staff Relations Act.

I am very pleased that the minister has consulted those acts, but by naming these acts in this bill he has left workers feeling pretty high and dry in many areas.

The minister said that he is concerned and wants to provide for community input into Canada's airports through the local airport authority. I wonder if the minister also considers the representatives of the workers and the workers at airports part of the community. If indeed he does, I would like to ask the minister why he has consistently refused to discuss this legislation with representatives of the union. They tell me they have been trying to speak to him for two years on this legislation.

Mr. Lewis: I only brought it in a month ago.

Ms. Langan: The minister has said that he only brought it in a month ago, so how could he have had time to consult with the unions. It would seem reasonable and

logical that if one is to introduce legislation one might even consider in a moment of weakness talking to the unions in advance of drafting the legislation.

Mr. Lewis: It is called second reading.

Ms. Langan: Oh, it is called second reading: "We will bring the unions in during second reading because we know what is best for people". This government has a reputation of never, ever paying attention to anything that has happened in committee between second reading and third reading, but the government says it knows what is good for people.

An hon. member: They certainly do pay attention.

Ms. Langan: They are paying attention now, are they not? They run it through and bring in closure. We have certainly seen that kind of attention. Canadians know. I do not have to convince you guys over there. Canadians know how much you pay attention.

Mr. Lewis: Us people.

Ms. Langan: Oh, I am sorry, you people over there. All right, if that makes you happy. Guys is a unisex word, I say through you, Mr. Speaker, to the minister.

At any rate let me address this bill. The bill provides for transfer of certain matters affecting current employees of the airports who are to be transferred to local airport authorities. It ensures that for the period of transition from federal to local control the employees retain all of the collective bargaining rights and pension benefits enjoyed as public servants. At least that is what the bill purports, but there are many areas about which the union is concerned because the minister has not seen fit to explain them to the union or to the workers at the airport other than in this House.

It also ensures, it says, that bilingual services remain a part of our airports. However, we have just heard the speaker prior to me indicate his concerns about what this really means *vis-à-vis* the use of the Official Languages Act.

This bill does not address the whole question of the transfer of control for the management of airports from Transport Canada to the LAAs, the local airport authorities. It is this omission that is most problematic in this bill.

While we are on the one hand attempting to safeguard the rights of employees, we are on the other hand ignoring any discussion of who the new employer is going to be and what responsibilities and services that employer will be taking on.

Mr. Soetens: Maybe it will be the low bidder.

Ms. Langan: It could be the low bidder. That could also mean that we could get rid of unions and we can do it on the cheap. The hon. member on the other side of the House said: "Maybe it will be the low bidder". We have often seen what happens when that happens. The low bidder saves money on the income that he does not have to pay to workers because they are not unionized. Often that is the case. If the hon. member is offended by what I have to say, I think I was equally offended by what he had to say.

There are several problems with the substance of this bill that in my view need to be addressed. Not the least of these problems is the complete lack of consultation—and I have already referred to it to some extent—with representatives of the employees affected in the design of this bill. It is those men and women who have a very real vested interest in the continuation of services and of their collective rights as employees.

However, the minister has already told this House, in response to my comment, that he has only had this bill in the works for a month and that he did not think of asking the workers before he drafted it. He also did not think to tell the workers just what the bill means.

The bill gives the minister the power to designate which employees, who are currently public servants, are to be subject to the provisions of this bill but does not spell out what criteria are to be used to determine those employees. There is no provision for the employees affected or their bargaining agent to be involved in the determination process.

We all like and trust the hon. minister on the other side of the House, but unfortunately all the airport workers do not know him as well as we do and may have some concern about trusting him.

What does the term designated employee mean within the context of the Public Service Employment Act? Is it an employee once designated and then laid off pursuant to section 29 of the Public Service Employment Act? What is the status of the employee who is incorrectly designated at the time of the transfer, which is not discovered until after the time of the transfer?

These may seem to be questions that can worked out at a later time but, given the complete lack of parliamentary review of the whole privatization process as it affects the airports, this is our only real opportunity to ensure that the government acts responsibly toward its employees and in the public interest.

For the benefit of the minister, we are talking about workers who are terribly concerned and uneasy because they do not know what this means to them. Obviously, as far as the minister is concerned, they must wait until the bill receives second reading and is sent to committee to hear discussion. I ask the hon. minister to assure us that he will not wait that long to talk to the unions and to talk to the workers to allay their concerns.

This bill allows for the minister to designate not only direct employees of an airport but also those employees in connection with an airport. We are not just talking about 12,000 employees from the government ranks to whom the hon. member for York West referred. We are talking about employees who are connected to the airport. Could the minister tell us just how far this connection to the airport extends and what are the rights of employees who now work at arm's length from Transport Canada? Again, we are faced with a lack of clarity and a considerable measure of uncertainty.

• (1630)

There are other problems with the bill. Uncertainty exists over the status of employees who may be on a legal strike at the time of transfer of the airport to a local airport authority. The minister is sort of acknowledging that one. Given that lack of clarity and the determination of designated employees, striking employees may well see their right to withdraw their services denied. At least that is the concern, because of the lack of clarity in the bill.

The bill also creates confusion over the status of grievances and other outstanding matters between the present employer and employees during the transition period and prior to certification of the new bargaining unit. Speaking of the new bargaining unit, I would like to make reference to section 7 of the bill which refers to an application by a "designated airport authority" or bargaining agent to which subsection (1) applies, made within 30 days after the transfer date. The Canada Labour Relations Board shall make an order determining whether the designated employees of the authority represented by the bargaining agent constitute one or more units appropriate for the collective bargaining and (b) which trade union shall be the bargaining agent for the designated employees in each unit.

I would like to raise the question with the minister. Does this mean—I know he cannot respond to me immediately, but I am sure he will get back to me on this—that the minister is opening the door to decertify the Union of Transport Employees and, in fact, create a situation and an invitation for raiding within the organized workplace at the airport? I would really like to have a clear answer to that question because there are many workers who are concerned about this.

This bill also provides some hint of protection for workers affected by the transfer of authority over airports from Transport Canada to the local airport authorities, but does not provide precise language. Workers do not need vague assurances and promises of the future actions of the minister, they need to know prior to any change in their employer and work setting what their rights are and how those rights are to be protected. The government needs to rethink this bill. It needs to be specific. It needs to clear up the language in this bill and to put the rights of workers ahead of the maniacal rush toward privatization that we are faced with in this country.

This legislation also needs to be rewritten and drafted in consultation with the workers affected by this drive to privatize our airports. We cannot simply allow, by government fiat, an alteration of the collective bargaining rights of airport employees without providing for protection—and one of those protections includes the right to be the bargaining agent as well as the right to be within a bargaining unit.

The transfer of authority over the management of our airports is subject to a series of requirements, assessments and reviews before the Memorandum of Understanding is reached. Even then, further negotiations and consultations obviously will take place before the transfer is completed.

Is it not time that the employees affected were accorded the same kind of consideration as the develop-

ers and managers who are in control of the airport, that is negotiations, consultation and discussions?

The local airport authorities welcome the highly skilled employees presently working in the Public Service. They will benefit from their experience and training. They will, however, benefit even further if those employees can be assured that they will not see their skills and years of service under-valued. Mr. Speaker, workers need to be made part of the process now to ensure their rights are protected by both their present and future employers. I think that the minister is generally a man of principle and a man who—

Mr. Lewis: Oh, oh!

Ms. Langan: Mr. Speaker, I will just stop now, and let the minister go on and tell us about his principles.

Mr. Speaker, the point I am trying to make is that the minister, I believe, is a person who would be concerned about the workers at the airports and, to some extent, is showing that concern by the introduction of this bill. Our criticism is that he did not talk to the workers in advance of having this introduced to maybe pick up some of the major concerns that they might have and, indeed, some parts of this bill are so unclear as to make it impossible for those workers, without a very, very detailed briefing from the minister, to even understand what this legislation means in their lives. My colleague, the hon. member for Thunder Bay—Atikokan will be rising to speak at great length about the whole question of deregulation and privatization because the minister, in his opening remarks, made it absolutely clear that he considers that whole discussion part of the debate around this proposed legislation.

I want to raise a couple of things, from the point of view of my own community. I live in my constituency of Mission—Coquitlam. I tell the minister that this is a little bootlegged. I have written him two letters about the needs of the Pitt Meadows airport. I am sure that, just as he wishes to consult with the workers on this and just as he is in the House inviting the participation of the opposition on this bill, and given his busy schedule, it will only be a matter of days before I have a response to my letters.

With regard to the open skies—

Mr. Milliken: He's taking them on his next flight.

Ms. Langan: Oh, he is taking them on his next flight. Well that is another point, because I discovered from the hon. minister, in discussion across the floor, when there was a question about airport safety at the Toronto airport, that this minister drives to and from his constituency. I am very pleased for him because with the deregulation and privatization, those of us who cross this country on the weekend, going home to our ridings, are really feeling very comforted to know that the Minister of Transport is driving to his riding.

I am sounding facetious here but it is very important that we talk about airline safety in this country. I think that we must assure Canadians that the workers at our airports are good workers, are safe workers, and care about the safety of Canadians. But I often wonder, when we are talking about privatizing airports and deregulation, if we are talking about selling off the rich airports and leaving the poor airports to continue to be serviced by the federal government. What does that do? Does that mean that, because of profit, we will just slip a little here and cut back a little there on safety procedures? Is that what the privatization of our airports is going to mean?

The other point I would like to make is that recently, on one of my trips back from Vancouver, I sat next to an American Airlines pilot. He told me that every opportunity he gets, when he has to cross the country, he uses Canadian carriers. He also told me that he uses Canadian carriers because he feels much safer in Canadian carriers. Now, that is a sad testimony to what we might have before us in Canada if, in fact, we get gobbled up and overcome by our partners from the States. The hon. member who spoke before me said God bless them. Well I say, God bless them, too. I have nothing against American carriers and I have nothing against American workers, as a matter of fact, I very much respect them but, I happen to think that the Canadian workers are the best in the world. I happen to think that our airlines have the best records in the world and I, sure as heck, hope that we manage to maintain that. Part of that maintenance is what happens on the ground at our airports.

Mr. Speaker, I think it would be important to close my remarks in this debate by, once again, addressing the Minister of Transport, through you. If, as he says, he is concerned about the workers that are affected by this legislation, I would appeal to him to please spend some time with those workers clarifying the clauses we have raised in this legislation, making it abundantly clear to

those workers what is going to happen in their future and their livelihood. Would he please assure this House that he will make those contacts.

• (1640)

I want to thank you, Mr. Speaker. I want to thank the minister for staying to listen, and I want to thank the hon. members.

The Acting Speaker (Mr. Paproski): Under Standing Order 74 the speeches are 20 minutes, plus 10 minutes questions and comments. The hon. member for Burin—St. George's on debate.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I am very pleased to take part in this debate. My colleague, our spokesman on matters concerning transport, my friend from York West, has already laid out much of the ground and stated to the minister and to the House some of our concerns about the legislation.

I want to add to what he said and, in particular, I want to introduce into debate a regional perspective. This perspective affects my part of the country, not only my riding of Burin—St. George's, but I have in mind the generally less populated, more sparsely populated parts of the country as a whole.

Bill C-85 is dubbed an act to provide for certain matters respecting official languages, employee pensions, and labour relations in connection with the transfer of certain airports. It is that latter phrase, Mr. Speaker, to which I want to direct your attention for a moment, "the transfer of certain airports".

All by itself it is a fairly innocuous little phrase but it carries with it, if one knows the habits, the philosophy, the ideology, the mindset of this government, the phrase "the transfer of certain airports" suggests a lot more than if one did not know something of the mindset of this particular government.

When thinking of this administration, words that come to mind include—

An hon. member: Corruption.

Mr. Simmons: —privatization, include deregulation, include globalization, include cost recovery, include profit. These are just five terms or sets of words that by themselves do not get me terribly excited. I could have rhymed off the names of five animals, five birds, or five people for that matter, or five places in Canada. There is nothing wrong with privatization, deregulation, globalization, cost recovery, profits. There is nothing wrong with that at all in their place—in their place, Mr. Speaker.

But we are talking now about the linkage between privatization, and globalization, and deregulation, and cost recovery, and profits. We are talking about the linkage between those terms and the way this country is being run. When a government of whatever political stripe takes as its obsession, as its *raison d'être*, as its very reason for existing, those words and makes them into its principles. It says that we must deregulate everything, we must privatize everything, we must have cost recovery on everything, we must have profit whatever-the-cost in human terms. We must globalize. We must become part of the larger community.

These are all laudable ideas until put into the context of a government whose first mandate is to provide for the people of Canada a government worthy of the name.

What about people? Do people matter with the government at all? Does it know that people even exist out there any more?

An hon. member: They don't care.

Mr. Simmons: If you look at its callous reaction to people's concerns over the goods and services tax, and even if you suppose for the moment that all the people are wrong and this crowd is brilliantly right, you would at least expect a more empathetic or sympathetic response or an explanation of why there is such a great divide between what the government wants to do and what 85 per cent of people think it should do. At least you would expect the crumbs from the table approach. At least you would expect, even disdainfully, some effort to bridge the gap between the table top and the floor.

Whether talking GST or that infamous Bill C-21, with its 2 per cent goodness as it relates to maternity and so on, and its 98 per cent evil because it will destroy the unemployment insurance system—but that is another issue—what about people in all of this? Whether it is this Bill C-85, or any other piece of legislation, does it matter at all with the government any more?

It seems to me that the crux of this entire issue can be addressed if one realizes for one moment that government is not a business. I would be the first to concede, to agree, to advocate, and to urge that many of the things that government does ought to be done in a fairly business-like, efficient and cost-effective manner. No taxpayer out there, however much he or she contributes to the public purse, subscribes to the notion that the

public purse ought to be dissipated or spent in a way that is wasteful.

If by business-like, one is suggesting it ought to be done, having due regard for cost-effectiveness, there is nobody in this party who has any objection to that. Indeed, I doubt anybody in the country has objection to that notion.

By business-like, does the government mean the bottom line, that the government must make a profit, that the government must deregulate no matter what the consequences are to people, and that the government must privatize no matter what the consequences are to people? If that is what it means by business-like, then I submit to you, Sir, that government is not a business and was never intended to be a business. Beyond that, the tragedy is not a matter of sheer semantics as to whether government is called a business or something else. It is a tragedy that we have a government that insists on being a business at a time when the country is asking for a number of solutions that a business approach cannot provide and was never intended to provide.

To allay the fears of my friends in the corporate sector—

Mr. Nunziata: You have friends in the corporate sector?

Mr. Simmons: Both of them.

Mr. Nunziata: They must be related.

Mr. Simmons: Let me say, first, to my good friend from York South-Weston that the surprise that he expresses that I may have some friends in the corporate sector is not completely without foundation. I assure him that two or three—a few out there—have been seen talking to me, not when there are a lot of witnesses around, but in general terms they will condescend to speak to me on occasion—Christmas, Easter—

Mr. Nunziata: Cap in hand.

Mr. Simmons: —Sunday morning after church, that kind of thing. Lord forbid, after I have finished speaking, that some good Tory in the House might get up and talk about how anti-business this member is. I will assure my couple of friends out there in the business sector who are hanging onto every word I am saying now out there somewhere, and all my Tory friends on the other side—and long may they stay on the other side, not necessarily on the right of the Speaker. One day, if I get on the right of the Speaker, the deal has got to be that they are left of the Speaker. I hope they are always on the other side, because they have a very different view of reality than I do.

• (1650)

Lest they get up and rave on about how anti-business the Liberals are because of some things I am saying, let me rush and hasten to assure them that I happen to believe that there is a place for business in this wonderful country. I am a private entrepreneur by belief. I used to be one in practice until this job got the better of me. I am a private enterpriser from way back, and I am a liberal from way back.

One of the things that liberalism believes in, espouses and practices is that free enterprise can drive the economy, fuel the economy, but government can also have a bit of compassion and a bit of common sense that says that finally government is not about bottom lines at all. Government is about people, the needs of people and how they can be fostered and furthered by the decisions and the initiatives of government.

First, government is not a business and was never intended to be. Second, if there is one reason more than any other why federal government is failing abysmally and not working in the country, I do not believe there are many people out there across the country who do not recognize that federal government has come to a halt and that the government has lost the moral mandate to govern.

The reasons we have such great divisions in the country now, whether they have to do with Constitution, the future of the country itself, or what ought to be the fiscal and economic solutions to our problems, is because the government has ground to a halt. The government has lost its very mandate to govern. I submit to you, Mr. Speaker, that government is not working in this country for a simple reason with very complex and disastrous consequences. The gentleman from Baie Comeau and

his team are trying to have the vehicle of government do something it was never intended to do in the first place.

I will give an analogy. I drive a car, badly at times. I drive a ski-doo, even worse at times. But I drive the ski-doo in the worst possible fashion like when I try to drive it like a car, when I try to have it do something it was never designed to do— when I put it over gravel instead of snow, when I put it at speeds that only a car should ever go, when I ask of it to do for me things that that vehicle was never intended to do. One of the basic understandings of rural life, whether in northern Canada or on the south coast of Newfoundland which I represent or wherever, which any 12 year old who has ever been aboard a ski-doo—let alone an adult— is that he or she will understand very quickly that a car and a ski-doo are two very different vehicles intended for two very different purposes.

The problem with this government is that it is driving the car of government as though it were the ski-doo of business. It is trying do things that it was never ever designed to do. This mad experiment is costing misery from coast to coast, from François to Petites, to Grand Bruit in my riding, to places like Port Alberni on Vancouver Island, to the far north, to Iqaluit, to Point Roberts in the south, and to the Niagara Peninsula. The government is inflicting so much human misery through its policies. I could go through the litany again. There is the GST, unemployment insurance wrecking, lack of regard for the pain being felt these days by fishermen and plant workers in Newfoundland and Atlantic Canada, and the very point of this bill, the disruption, the lack of convenience, and the robbing of services to people who live in the less populated parts of the country. Yes, there are a dozen or 20 planes to Toronto any day of the week from Ottawa, any day of the week, because the market provides that that will be the case. Come with me some day to Stephenville in my riding and watch the rush of planes go out. There are two or three of them every single day. One of these days, if the government has its way, when it finishes privatizing and deregulating, it will put the final nail in the coffin.

My one fear in electoral and political terms is not that after the next election we will not be on the government side. That is not my fear at all. Whatever the odds in that respect, let me give another issue to think about. Whoever becomes the government after the next election—and it will not be that clique, I will tell you that—should have one fear. That is whether or not there will be enough left to govern, whether or not there will be enough of the country left to put back together, in political and constitutional terms or in social terms, human terms, people terms. That is my concern. The country is being changed so quickly and in such a devastating manner that there may not be enough left to govern when the time comes.

I realize, Mr. Speaker, my time is running out. Let me then come directly to the point under discussion.

This bill talks about the transfer of certain airports. As I said a moment ago, do not be confused by the slick wording. One thing the gentleman from Baie Comeau knows well is how to choose, how to practice, and how to articulate slick wording. God knows. If one was not sure of that, one should have watched the television a couple of nights ago.

An hon. member: Mr. Slick himself.

Mr. Simmons: He gives the word "slick" a bad name.

An hon. member: Oh, oh.

An hon. member: What about the word "crook"?

Mr. Simmons: Mr. Speaker, I ask my friend from Toronto to restrain himself. There is certain language that even we Newfoundlanders will not use.

The transfer of certain airports, the bill says euphemistically, the transfer—what could be more harmless than transferring airports? We do it all the time, transferring airports. What could be more harmless than that? Look behind the phraseology. Look behind the slick phrase and ask what it is really up to. What it is really up to is marketplace again. If it works in Toronto where there are millions of people, it must be great for Burgeo on the south coast of Newfoundland. If it works in Montreal, it must be a miracle up in Gimli, Manitoba. It euphemistically talks about the transfer of second airports. What is said in this bill is one more nail in the coffin, folks, this is one more step in the Tory process to make this country an economic colony of the United States, whether through deregulation, privatization, globalization, or cost recovery.

• (1700)

One of the latest nails in the coffin was the insult last week from the minister sponsoring this bill when he released something that has been circulating for a long time, a new program. Transport Canada will implement a cost recovery program in April of next year. I remind you, Mr. Speaker, it will not be just any little old–fashioned share cost recovery program. Oh, no. Have a look at the figures, as I have, and you will very quickly decide.

If you live in Edmonton, as you do, Sir, or if you live in Newfoundland, as I do, the impact will be much greater on you and me than it will be on those in Toronto, Montreal or Vancouver. This is another package which is skewed toward the more urban parts of Canada, to the detriment of people who happen to have committed the sin of being born in a part of the country that did not have a million people a few miles from their front door. What a crime.

Whether in respect of Bill C–85, or any other government initiative, once government forgets that it is put into office by people, and as soon as it stops responding to people, and I never said knee jerk reactions and I never said jumping every time the public demands something, but, in broad brush, once the government stops listening to the basic concerns of people, it is time for that government to go.

We have a lot of concerns. These concerns were put very well by my colleague from York West, our transport critic, and a very good transport critic he is. He is doing a marvellous job. He has put the case very well. I hope I have added something to the case, particularly as it relates to the regional concern, the concern of people who happen to believe that living in Newfoundland, P.E.I., Nova Scotia, Manitoba and New Brunswick is not in itself a sin. As a matter of fact, it is not a bad way of life. It used to be a very good way of life, but it is being constantly eroded by a government that dances to the tune of business, dances to the tune of another country and should be dancing to the tune of the ordinary people of this country, and I only wish it would.

Mr. Karpoff: Mr. Speaker, I am sure the hon. member who has just finished speaking would not like to leave misinformation on the record. He talked about the devastation in this country from one end to the other, and talked about Point Roberts. I would like to inform him that Point Roberts is in the United States. I am willing to concede that the devastation caused by this government may even extend beyond our national boundaries.

The Acting Speaker (Mr. Paproski): I do not think that is a point of order. It is a point of debate.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I salute and congratulate my colleague from the opposition for his far–reaching, but relevant speech. If I could, I would like to get him on a tarmac somewhere in northern Canada, and if possible, in a hangar in Sault Ste. Marie, Timmins, Windsor or London, Ontario.

My colleague from Mission—Coquitlam talked about the minister who introduced this bill, but had not spoken to the workers at the airport. Anyone in this country who has a category five airport, and I am not familiar with the regulations for category five, four, or three, but I do know that the arbitrary difference is perhaps two–thirds of a metre or a couple of feet in the old measurement. For want of another couple of feet in an airport, your classification of airport can be downgraded. That has happened in Timmins, Windsor, London and Sault Ste. Marie and countless other airports across this country. Perhaps the people in Canada are not aware that they do not have adequate fire–fighting services. It is told to me that on three or four occasions per month at our local airport, if you fly in after 10 o'clock, there is not one fire–fighter on the job. Transport Canada officials tell the fire–fighters to go home because it cannot afford to pay them overtime.

It is suggested that it is the airlines' responsibility to inform the fire–fighters. I suggest, Mr. Speaker, this is not appropriate. Should someone book off sick in the daytime at some of these airports, there may be two very valuable, expensive rescue vehicles in which there are only two fire–fighters to man them or person them, if you will. It is possible that one fire–fighter may have to drive to the scene of the crash, reel out 300 or 400 feet of hose, run back to the vehicle, release the valve for water pressure, and enter the aeroplane by himself or herself. I understand that they are told that they should never, ever do that, "never enter an airline crash by yourself".

I am coming to my question, Mr. Speaker. Does my colleague believe that this is happening at the airports in this country and what does he think the government should do about it if people in Canada do not have

adequate fire protection on many days during the year? It is unheard of, unbelievable.

Mr. Simmons: Mr. Speaker, first of all, let me say to my good friend from Surrey North that I thank him for adding to my limited education today. I did not know where Point Roberts was; I have never been to Point Roberts; I had an idea that it was on a border somewhere. I thank him for telling me exactly where it is. Some day I will tell him where Jean de Baie and Lamaline is, because they are about the same distance from my house as Point Roberts is from his.

The hon. member for Sault Ste. Marie talks about airports like Timmins and others. He could have thrown in one called Stephenville because the same thing is happening there with respect to fire-fighters. He asked me if I agreed. The answer is yes, I agree. But the other answer is, had he heard the point I was making in my speech that government should not be run like this, he would have understood how much I agree with him. Once you get a government that says: "We will provide fire-fighting on a cost-recovery basis rather than because there is a need", you have a very dangerous situation on your hands.

The government decided in the past few weeks that as of next April, in St. John's, Newfoundland, in the bailiwick of my buddy over there, the Minister for International Trade, after midnight there will be no air traffic controller at all, not one, between midnight and, I believe, 6 a.m. For six hours in the tower at St. John's airport, the most easterly international airport in Canada with responsibility for a large segment of the North Atlantic, this government has said that there is no need for air traffic controllers. They are taking them off all together. Why are they doing it? They are doing it to save a few bucks. To save six hours' salary, they are going to jeopardize the safety of potentially thousands of people. But, Mr. Speaker, it is all worth it because they are going to save a few bucks.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

On a point of order, the hon. parliamentary secretary.

• (1710)

BUSINESS OF THE HOUSE

Mr. Cooper: Mr. Speaker, I apologize for the confusion but, as usual, there was a need for last minute communications.

Mr. Speaker, I am sure you will find consent for the following motion:

That, on Thursday, November 8, 1990:

1) The Order of the Day following Routine Proceedings be Government Business No. 21, the motion respecting the Conference on Security and Co-operation in Europe, with debate to continue until no later than two o'clock, at which time—or at an earlier time, if no member rises to speak—debate on the said motion or any amendment thereto shall be deemed adjourned;

2) In the said debate on the said motion, there be, as the first three speakers, one representative from each of the three recognized parties in the House, each to speak for up to 20 minutes, with no question and comment period to follow; and, following such three speakers, speeches be limited to 10 minutes for each speaker, with no question and comment periods to follow:

3) Following the deemed adjournment of the said debate as set out in (1) above, the House, as the case may be, shall either suspend to two o'clock or, if it be two o'clock at the time of such deemed adjournment the House shall enter upon Statements by Members in the usual manner, followed by Oral Questions in the usual manner;

4) The Order of the Day following Oral Questions shall be second reading and reference to Committee of the Whole on Bill C-87, An Act to amend the Statute Law in relation to War Veterans; and that no later than five o'clock the Speaker shall, if required, interrupt any proceeding then under way and put forthwith and successively, without further amendment or debate, every question necessary to dispose of the second reading or third reading stage of the said Bill; provided that (a) any speech at third reading stage of debate be limited to 10 minutes, and (b) if the Committee of the Whole be considering the said Bill at the said time of interruption, the Chairman shall interrupt forthwith, pursuant to this Order, to put every question necessary to report the said Bill, following which report the Speaker shall put every question necessary to dispose of all stages of the said Bill pursuant to this Order; and

5) Following disposition of the said Bill as specified in this Order, and without at any point in proceedings on the said Bill deferring any demanded recorded division on the said Bill pursuant to any Standing Order, the House shall enter upon Private Members' Business for no more than one hour, followed by up to 30 minutes for Proceedings on the Adjournment Motion, at the conclusion of which time the House shall adjourn until one o'clock on Monday, November 19, 1990.

The Acting Speaker (Mr. Paproski): I believe there has been consultations. The hon. member for Kamloops.

Mr. Riis: Yes, Mr. Speaker, there have been consultations and certainly we are in agreement with the motion as presented by the parliamentary secretary.

As a matter of clarification, I want to put something on the record. Assuming that there are no recorded votes, and it is my understanding that there would be no recorded votes later in the day, that if there were necessity, we would have an understanding that we would not see the clock to allow one or two members to complete their remarks if it had to go beyond five with the understanding, very clearly, that there be no recorded motion.

Mr. Cooper: Mr. Speaker, if I have the assurance that there would be no requirement for recorded votes, in other words everything would pass either on division or by agreement, then I do not see a problem from our side and we would be happy to co-operate with members to make sure that everybody had their due say.

Mr. Gauthier: Mr. Speaker, we have no difficulty with this proposal. We give the undertaking that every member who wants to speak will at least be given a chance to speak, that nobody will hog the floor for the regular 40 minutes that are normally allowed at second reading. I think that people will be reasonable and will try to get this bill passed tomorrow afternoon.

Mr. Riis: Mr. Speaker, I think this is an excellent point that my hon. friend from Ottawa—Vanier raises, that in the spirit of passing this important legislation prior to Remembrance Day, there will be an understanding that while speeches could be longer, we would attempt to hold them to about 20 minutes at second reading stage.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

[*Translation*]

AIRPORT TRANSFER (MISCELLANEOUS MATTERS) ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-85, An Act to provide for certain matters respecting official languages, employees' pension and labour relations in connection with the transfer of certain airports.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome the opportunity to take part in this debate on Bill C-85, although I would have preferred to hear my friend and colleague from Notre-Dame-de-Grâce, who today is celebrating 25th anniversary as a member of this House. As you know, Mr. Speaker, today the Hon. Warren Allmand is being honoured in his riding and is therefore unable to be in the House. He asked me to make a few comments on this bill, reserving the right to add further comments later on and perhaps expand on, and further explain, our objections to certain clauses in the bill.

Mr. Speaker, the purpose of Bill C-85 is to provide for certain matters respecting official languages, pension plans and labour relations.

[*English*]

I shall leave my colleagues and friends on the Liberal side of the House to handle questions dealing with the protection of employee benefits, as to whether the government will ensure that employees do not lose their pensions and pension benefits once the local authorities have taken over airport management.

We have to remember that when CN decided to privatize Route Canada all employee benefits and pensions were lost due to mismanagement. I will leave that to some of my colleagues who are much more familiar with the issues.

We have an issue here dealing with the protection of jobs. The government must again ensure that all jobs at local airports are retained once they are under local management. We have in our minds the privatization of Air Canada. We all remember the Deputy Prime Minister in this House assuring us that the jobs would be protected. In October 1990, 2,900 people lost their jobs and had no federal protection. I will also leave to some of my colleagues in the Liberal caucus the obligation to oppose this bill based on what kind of guarantee local

taxpayers will have so that they will not be obligated to pick up any deficit that is incurred by the administration of these local airports. Other items or rules such as the six-month protection of employees' jobs, which members will recall is a right of Public Service employees, should in our view apply to the transfer of the airports to regional authorities.

I want to address one very important item in this bill that deals with the official languages. Having spent 10 years as critic for my party on this matter and having been a member of the standing committee since its creation in 1979, I have a special obligation to make sure that we scrutinize legislation so that it conforms with existing laws and that the government is taken to task if it does not. I want to remind my members that the clause to which I will be addressing my comments is clause 4 of the bill that reads as follows:

> Where the Minister has sold, leased or otherwise transferred an airport to a designated airport authority, on and after the transfer date Parts IV, VIII, IX and X of the *Official Languages Act* apply, with such modifications as the circumstances require, to the authority relation to the airport as if
>
> (a) the authority were a federal institution; and
>
> (b) the airport were an office or facility of that institution, other than its head or central office.

I know it is complicated, Mr. Speaker. That is why I will take a few minutes, with your indulgence, to explain the impact of this clause, how we feel it should be strengthened, and possibly where the principle is not exactly in keeping with the spirit of the Official Languages Act.

Let me read first of all what the act says. We adopted Bill C-72. It was passed by the House of Commons on July 7, 1988. Section 23 of the act says: "For greater certainty, every federal institution that provides services or makes them available to the travelling public has the duty to ensure that any member of the travelling public can communicate with and obtain those services in either official language from any office or facility of the institution in Canada or elsewhere where there is significant demand for those services in that language."

• (1720)

[*Translation*]

Mr. Speaker, the government has included a vital clause in Bill C-85. Following the privatization of a number of federal agencies, the government was ordered to make the Official Languages Act binding on the authorities of these newly privatized institutions so that the Canadian public will be able to obtain services in French or English, as the case may be and as the customer, in other words, as Canadian men and women prefer.

Mr. Speaker, under Part IV of the Act the new regional or municipal authority—God only knows what this new commission will be—has a duty to provide services in the language of the customer's choices. Although the language of service is included in the present legislation, we note that the working language—the language used daily by employees—and the principle of equitable participation—in other words-equitable representation of both official language groups in the organization—have been totally ignored. This means that employees at these so-called privatized or restructured airports will no longer have the assurance that they can work in the official language of their choice. It will depend on the good will of local management.

The government has made no provision for ensuring that these new institutions provide for equitable participation of both official language groups. Mr. Speaker, official language minorities will bear the brunt of all this. In Quebec, an airport like Dorval, for instances might be transferred to the private sector. What would happen if the so-called management of this new air terminal commission decided that French was the language of work at headquarters? How can management ensure that employees use both official languages, when management uses only one? We've got a problem, Mr. Speaker!

[*English*]

The central administrative office will be operating in one language because it is excluded by the act. It is not the same; it is not subjected in the same manner to the Official Languages Act. How will that central office which will be using one language—it could be English in Edmonton or *français à Dorval*—encourage its employees to use both official languages when only one language is used at the head office? That is a problem we

have addressed for many years in this House. The employee will be obliged to use the language of the administration. If it is French in Dorval, it will be to his or her detriment. If it is *anglais à Edmonton*, he will have to use the language of the administration. That will be the way the system will operate.

Using that same example, what happens if the travelling public, which by law is entitled to receive services in either language from the new commission, is not satisfied and wants to complain to the administration directly? It cannot do that.

If the language of work of the central administration is other than the travelling person's language, that is if it is French in Dorval or English in Edmonton and the travelling person happens to be from the other language group, he has a heck of a problem because the administration does not speak his language. That again presents us with a certain problem because, as is the case with the employees, the travelling public will be obligated to use the language of the administration. That is a problem which will have to be resolved.

One could say that we will wait before making any decisions on this subject. It has been two and half years since we have adopted this new Official Languages Act, and we have no regulations. We have no definition of what is an institution.

[*Translation*]

Mr. Speaker, I simply wanted to remind the House of some definitions that are essential to our understanding of the regulations arising from legislation as important as the Official Languages Act.

We have waited two and half years for the government to table these regulations. We still do not have a definition of "significant demand", for instance. We do not have a definition of "office".

I could go on and on, Mr. Speaker, as you well know, but we are still waiting. And how are we going to tell canadians that an office is defined as— It could even be a horse, Mr. Speaker! It could be a horse ridden by a policeman who provides a service here at the House of Commons and is obliged to answer Canadian visitors in the language of their choice. In English or *en français*. If a policeman is not capable of answering Canadians who visit Parliament Hill during the summer— Because that is his office, and he just happens to sit on a horse.

People ask him: sir, what is that statue? where's the washroom? what's that building? Well, if the policeman cannot answer, Mr. Speaker, his office, as I defined it—the definition may be a little farfetched, but it is there just the same—the office is incapable of providing the service.

I am sure hon. members will say: sure, but let us not exaggerate. I want a definition of an office. What constitutes an office? I want a definition of "significant demand".

[*English*]

What is significant demand? How do you define significant demand? These are the things we addressed in committee and in the House two and a half years ago, and the government has yet to give a definition. Yet we have a law before us today that says the Official Languages Act applies in regard to significant demand. Who will determine that?

I will quote the same article which states that the law applies with such modifications as the circumstances require. That is discretionary to the local commissions or boards, whoever it might be and however it be intended to apply the law of the land. If we do not tell the commissions what the laws are, and if we do not tell them what the federal government and this Parliament meant when it passed that law, how the heck are they supposed to do it?

I put it to you, Mr. Speaker, that we have a serious problem here with interpretation and that we will want to question the minister on that article in particular at committee stage. I do not want to take any more time, but I would be more than pleased to answer any questions.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I just have one very short question for my colleague. How does he see this bill affecting safety in airports? Two days ago there was a minor accident in the Pearson International Airport. How does he see the bill as it pertains to the safety of airports?

Mr. Gauthier: I thank my colleague for that question. I think it is a rather important question. These commissions or these new boards will operate at arm's length from the government. We must make sure that there are national standards that apply in regard to safety. We

have to make sure that national safety standards are in place and that those boards will follow those safety requirements, otherwise we are in for a very difficult time.

• (1730)

I am sure that my friend from Agincourt will want to address that issue when he makes his remarks.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Saskatoon—Dundurn, I notice that the hon. member for Ottawa—Vanier paid respects to the hon. member for Notre-Dame-de-Grâce for his 25 years as a member of Parliament. I would like to bring to the attention of the House that the hon. member for Victoria—Haliburton, the hon. member for Annapolis Valley—Hants and the hon. member for Renfrew—Nipissing—Pembroke, have served here for 25 years as of tomorrow, so I think that is worth recognition.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Paproski): Order, please. There is another question or comment. The hon. member for Kingston and the Islands.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I wish to congratulate the hon. member for Ottawa—Vanier on an excellent speech, and always, short and sweet.

Mr. Speaker, my question is directed to the hon. member. I realize that the Committee on Official Languages, established pursuant to certain legislative provisions recommended that the government report to the committee on the procedure adopted by the government to implement the Official Languages Act. I wonder what the committee will do in the absence of a report that has yet to be presented to the committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Standing Orders of the House require the government to respond to any report tabled by a standing or special committee. I am referring to Standing Order 109: Within 150 days of the presentation of a report from a standing or special committee, the government shall table a comprehensive report.

Mr. Speaker, this week, the 150 days provided under the Standing Orders expired. I hope that this week, the government will respond to the Committee on Official Languages and inform the House of its position on regulations arising from the Official Languages Act, Mr. Speaker.

[*English*]

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I would like to thank you for the information concerning the four members of the House who are celebrating their anniversary. That is very interesting and very commendable news. These are very interesting and commendable people with whom I have had some dealings since I came here two years ago, two years short two weeks since the election. They have certainly been a great help to us. However, it is not as good as the 1992 election will be.

An hon. member: Two more years to go.

Mr. Fisher: That is right, two more years.

Getting back to Bill C-85, it is described as an act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports.

I listened to the minister and I congratulate him for having stayed around for the two subsequent speeches, but I really am at somewhat of a loss to understand where in his speech he made any relevant reference, any meaningful reference to the specifics of what is in the bill. I am rather glad that he did not because it gives me an opportunity to make reference to some of the things he talked about although he may have been speaking in a rather oblique way.

The minister talked about efficiency, better service, cost efficiency, entrepreneurship. I see those things relating to privatization, as one of the previous members mentioned.

I see it being referred to as well as deregulation, to which one of the previous speakers referred. He had a third, and I guess it could be referred to as the "pillar", as we have been talking a lot about pillars in connection with the banking industry. I think they could also be referred to as the three pillars of Progressive Conservative philosophy of the last two years since I came into the House, namely, deregulation, privatization and free

trade, which is not what the member for York West referred to as a third reference.

When the minister takes a bill such as I read out, and refers to how much better service we are going to have, how cost efficient it is going to be, how it is going to have effective commercial operations and entrepreneurial benefits, he can only be referring to deregulation and privatization. I would suggest these have shown no efficiencies and no great entrepreneurial potential either. Certainly they have not shown better service.

If we refer to deregulation, whether it be of the trucking industry or the airline industry, or even the shipping industry, which is coming about, it certainly is proof that there have not been any of these efficiencies. The potential, which is supposed to be so inherent in what the government is doing with the airports, is not there.

As far as free trade is concerned, the promise of wealth and plenty for this country of ours certainly has not materialized in any way. As a matter of fact, we hear on a daily basis how much of a tragedy the free trade deal with the United States has been for this country. We also hear the fears expressed on a daily basis on how much more tragic this government's policies are going to be for this country when it gets into the free trade agreement with the United States and Mexico as well.

The minister stands up and speaks in such glowing terms of the potential of turning these airports over to local airport authorities. There is no reason why anyone on this side of the House should gain any comfort from what the minister says is going to occur.

There are many other examples of the government bringing forward, in glowing terms, bills it has introduced and saying how the country is supposed to become prosperous because all these wonderful things are going to occur.

One of the things which the bill talks about about is employees' pensions. These are so vital to the federal government employees and must be protected after the employees are transferred to the local airport authorities.

If we look at Bill C-21, the Unemployment Insurance Act, the evidence is certainly there that this government's legislation, proposed in glowing terms, is going to turn out to be an absolute disaster for the working people of Canada. There is no protection for them within that legislation at all.

As I have already pointed out, there is certainly no protection for the Canadian people within the concept of privatization, deregulation and free trade. Reference was made earlier on how the government is divesting itself of these presumably profitable airports. I suppose you could read along with that, Mr. Speaker, efficient and possibly even cost-effective, and perhaps, even better service in these larger profitable airports.

• (1740)

On the other hand, the smaller ones and I suppose also by implication from what the minister said, perhaps less efficient, where there is not quite as good service, and maybe not quite so much potential for the entrepreneurial potentialities, although what is supposed to be referred to within that I am not entirely sure. Perhaps it is all these little kiosks we see springing up in the airports where entrepreneurs have started up. I suppose, at least theoretically, they are making a tremendous amount of money on these little businesses they have set up.

The logic of it still escapes me. Why the government would not get rid of the inefficient ones which presumably are costing them money and let the real entrepreneurial spirit of this country take over and turn these smaller, less efficient, perhaps even implied because they are government run. Although we certainly have a great deal of experience in Saskatchewan which would prove that government run—particularly New Democratic government run operations—can be tremendously efficient—

An hon. member: Hogwash.

Mr. Fisher: —and tremendously profitable. It does escape me why the government would not turn these small airports over to the entrepreneurs and really prove to this country how wonderful the entrepreneurs of this country are.

Instead of that, of course, and I am really begging the question because we know the answer anyway, the government is turning over to their friends in the larger centres the operation of the airports where there is a tremendous amount of potential for making profit.

I am not entirely sure what is going to be done with the profit because the act does say that the "leased, sold or otherwise disposed of" airports. It does not say there could be no private companies, but it does not say it cannot create some kind of a corporation and, presumably, set up directorships and so on. I would suspect there is a lot of potential within that for being able to pay themselves rather handsomely as airport managers and chief executive officers, vice-presidents, and so on of the local airport authority.

I would suspect that as much as anything is what is behind most of this. Otherwise the government would be testing the Canadian entrepreneurial spirit in turning the small airports over.

The small airports will be staying in the hands of the Canadian public who are going to have to shoulder the burden of them running inefficiently, certainly as this government has proved it is able to do.

The minister has referred to the assurance that the aviation safety aspect which we now enjoy and as has been pointed out by one of the previous speakers, is pre-eminent in Canada. One of my colleagues was referring to a pilot from an airline in the United States who said that he would much rather fly on a Canadian carrier across the country than anything else whenever they had the opportunity.

I would suggest that that is something of which we are tremendously proud but I would also suggest that there is a tremendous amount of potential there for us to be losing that safety factor within the Canadian aviation industry.

I would also suggest that the whole matter of safety within the airports themselves, has been alluded to already, is going to suffer enormously. It is bad enough at the present time. There are many times when the Canadian public, if they really knew what was happening on the ground, would probably do the very best they could to avoid flying on those later flights. The evidence is certainly there that there is not a lot of protection when it comes to flying later in the day. Once these airports become privatized, there is every likelihood that that will increase much more.

As far as the workers themselves are concerned, the question again is begged because, as has been pointed out, the unions involved were not consulted. While the government seems to pride itself in saying that it very seldom does anything such as this, bringing in legislation or making changes within the legislation without consulting the people involved, we know, of course, time after time, that is not the case. It is quite possible that it may have consulted with some of the people who will potentially be the heads of the local airport authorities. I would suspect it has. This bill is supposed to be about the protection of workers. Those who represent the workers now are not protected.

I would like to conclude by making reference again to the workers, and particularly to their probability maintaining the standard of living and the level of wages and benefit which they now do as employees of the federal government under these local airport authorities. While some of them may possibly be successful, some are not going to be successful. It begs the question: What are we going to do with these once well-paid, well-trained civil servants who will undoubtedly find themselves out of jobs because of the failure of some of the local airport authorities to be able to function in the manner in which the government so erroneously assumes they are going to be able to do?

There has to be some changes made to this legislation for the protection of the workers not just for the short term, but for the long term, over their whole working lives. We have to make sure of the remuneration for these people, and not just the permanent people, as the minister pointed out and as the legislation supposedly points out, although permanent may be the operative word. Possibly, the minister knows something that the rest of the committee does not know yet. It may be that, within the whole context of what is about to occur, we are going to find a tremendously larger number of temporary employees in these airports. That means that the standard of living of these people will be lower than ever before. This is a tragedy, but something which has to be addressed and certainly will be addressed before this legislation comes to a conclusion.

Speaking of conclusion, I would consider that to be the conclusion of my remarks at this stage of debate on this legislation.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have listened with an element of surprise as the hon. member described what he sees in this bill. I would wonder whether or not he has even read the bill.

Also, I am appalled that he would suggest that the sky would fall because the airports are being transferred for their operation into a local airport authority. He treats it as if it has been privatized and sold to an agency. That is not the case.

He also questions the number of airport authorities that are possibly on the horizon. The member has failed to realize that, when this was announced many months ago by the former Minister of Transport, it was seeking those communities that would show interest in operation of the airports. To date, four such groups have come through: Vancouver, Calgary, Edmonton, and Montreal.

As to question of the number of possible transfers for operations, that is why there is such a small number.

He refers to the kiosks in airports. It just so happens that these kiosks happen to pay commissions to whatever airport they are in as a form of rent. I realize the NDP is not too concerned about whether it costs the taxpayers money to operate things and that, but this is one way of helping to recover some of the money.

• (1750)

Why does the member portray it as privatization, when it is not privatization? It is the transfer of the operation of the airport and the safety aspects of the comptrollers, the operation of the things from the tower, et cetera, still are completely under the auspices of Transport Canada and will not be under the airport authority.

Mr. Fisher: Mr. Speaker, I was only responding to comments made by the minister. I have read the bill. My surprise is whether or not the minister has read it, judging by his remarks on it. If the member opposite is worried about whether or not I have read it, I certainly have.

The minister is the one who referred to the better service, to the cost effeciency, to the more effective commercial operation of the airports, and the entrepreneurial potentialities of it. If those relate in any specific way to, as the bill is entitled, "an act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports", I am at somewhat of a loss to explain how it does.

As I said, it certainly gave me an opportunity to be able to make reference to what I consider to be the four pillars of the Conservative philosophy: deregulation, privatization, and free trade, and another free trade.

With all due respect to the member who asked me the question, and with all due respect to my desire to stand up here and keep on talking, we could go on about deregulation, privatization and so on. There are members who wish to speak. On that basis, I would be only too pleased to sit down to let them have some time.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I certainly appreciate this opportunity to speak to Bill C–85, even though I have but eight minutes today, unless you are prepared to be friendly and extend the—

The Acting Speaker (Mr. Paproski): The hon. member has seven minutes.

Mr. Nunziata: Seven minutes? Aren't you kind, Mr. Speaker. I will speak for seven minutes and resume my comments next day.

We on this side of the House are concerned about this piece of legislation. It is one small step in the long journey that the Prime Minister and the Conservative Party embarked upon in 1984 to sell out the country. The Conservative Party and the Prime Minister, starting in 1984 decided to put Canada out of business. In other words, they decided to privatize different federal institutions and different federal Crown corporations in order to satisfy the right wing element of the Conservative Party.

Is it any wonder that Mr. Spicer and others have to travel from one end of the country to the other to deal with national unity when this government six years ago started to pull apart the country? It started to divide the country because of its policies and, in particular, its policy with respect to privatization.

The federal government has a role to play in order to keep this great nation together because, without the federal government and without federal government policies, the only thing that binds Canadians and the only thing that we would have in common is the fact that we share the northern half of North America. It is the only thing we would have in common. What else would a potato farmer in Prince Edward Island and a forest worker in British Columbia have in common?

The government set out in 1985 to dismantle Canada and dismantle the very infrastructure that has kept the country together.

The Prime Minister started by going to New York City to visit with his American friends to indicate to them that the Foreign Investment Review Agency would be eliminated. Canada, in effect, was up for sale and no longer would the Canadian government have the authority to determine what was in the best interests of Canada insofar as foreign investment was concerned.

The message started back then. The message was loud and clear. Since that time we have seen many small steps and many large steps that have led to the disintegration of Canada. Let me just name a few. Air Canada. The government decided to privatize Air Canada. Why? I do not know. Air Canada belonged to the people of Canada. It was one of those crown corporations that kept the country together because through that crown corporation, in a very direct way, the government was able to provide for air transportation to many communities in Canada that today do not have the jet service that existed when Air Canada was a crown corporation.

Petro-Canada. The government now wants to privatize Petro-Canada in order to line the pockets of their rich friends on Bay Street.

Harbourfront in Toronto. Canada Place in Vancouver. Canada Post is on the privatization block now. The unemployment insurance system in Canada is being privatized. Is it any wonder that Canadians are asking themselves today, what does it mean to be a Canadian? Why should we continue to be together when the government is hell bent on destroying the country?

This bill, as innocuous as it may seem to some, as innocuous as it may seem to members on the government side, is another small step. The Government of Canada has decided it does not want to be in the airport business. Why?

Mr. Sobeski: Why should it?

Mr. Nunziata: The hon. member asks, in his smug, arrogant way, why should it? Let me tell you, Mr. Speaker. I will tell you why the government should be in the airport business. Toronto International Airport last year netted some $60 million profit, net profit. Where did that money go? It belonged to the people of Canada. That money could have been used to upgrade and subsidize airports in smaller centres across the country. What did the government decide to do? Give it to the private sector.

Is it any wonder that, the construction and management of Terminal 3 was given to the private sector and Huang Danczkay. They are not there to provide a service to the people of Toronto, to ensure Torontonians and others in southern Ontario that they have the opportunity to be part of an efficient transportation system. Huang Danczkay and all the other Tory flaks and businessmen were lining up to run Terminal 3 because there was a significant profit to be made.

The government decided in Bill C-85 to provide for certain matters respecting official languages, blah, blah, blah. We know what all this means. It means the government is privatizing and giving to local authorities the operation of certain airports across the country. Why are we not dealing with that bill first? Canadians do not know at this point. Who are these local authorities in Vancouver, Edmonton, Calgary or Montreal? We do not know who these people are. The government is putting the cart before the horse. We should first deal with the issue of privatization.

I see you are on the edge of your seat. You are about to cut me off, but before you do, Mr. Speaker, let me say that I look forward to the opportunity when we meet again on Bill C-85 to continue my comments and to criticize the government for destroying the country.

The Acting Speaker (Mr. Paproski): Like the song, *We'll meet again.*

The hon. member will have 13 minutes remaining in his speech, plus ten minutes for questions and comments.

[*Translation*]

It being six o'clock, the House stands adjourned until tomorrow at 11 a.m, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, November 8, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

SECOND REPORT OF STANDING COMMITTEE—GOVERNMENT RESPONSE

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am very pleased today to table, in both official languages, as well as on audio cassette—I believe this is the first time this has ever been done in the House—the government's response to *A Consensus for Action*, the second report of the Standing Committee on Human Rights and the Status of Disabled Persons.

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

The Acting Speaker (Mr. Paproski): Point of order, the hon. member for Ottawa—Vanier.

Mr. Gauthier: Mr. Speaker, I can understand the Secretary of State wanting to create a precedent in tabling a cassette. Does that mean that that document officially becomes part of the official report of the government in response to that committee? Does it mean that that cassette is available to all Canadians, if they require to see it? Does it mean also that it is available to members of Parliament if they would like to hear this cassette?

Mr. Cooper: Mr. Speaker, I want to thank the hon. member for raising the point of order because it does allow us to flag what we are doing here.

What we are dealing with is a report in response to the committee of the disabled, and so this particular vehicle we are using opens up that report to some of our disabled Canadians and gives them an opportunity to hear for themselves the report that was tabled in the House, something that is a little unusual and something that I think all members of the House would be happy to hear.

• (1110)

Mr. Gauthier: Mr. Speaker, we are trying to deal with a particular problem here, that of a visual handicap. I take it also that the audio is available, but is it available in Braille for those who cannot see, for example? Have we made sure that we have not excluded any group?

Mr. Cooper: Mr. Speaker, I thank the hon. member for his intervention and can confirm to him that, yes, it is available in Braille and that we will be providing the other vehicles whereby we make sure that all of those people who suffer from different handicaps have the opportunity to see or hear the government response to this particular report.

Mr. Riis: Mr. Speaker, I want to say to the minister that this is indeed a very thoughtful and a very encouraging initiative. To seek clarification, when reports are tabled in response to committee reports, that would mean, then, that multiple copies are available for people who are interested. I take it that if a large number of Canadians want to seek access to the video, then multiple copies will be available for people.

Mr. Cooper: Yes, Mr. Speaker, I can confirm that, and, of course, within reason. We do not want to produce more than is necessary, but we certainly want to meet the needs.

Mr. Flis: Mr. Speaker, I am pleased that my colleague did raise this point of order. I think it is a good time to draw to all members' attention that when sending out parliamentary reports to our constituents, we forget the blind who cannot read our reports.

In my last householder, I put a little sentence in there asking constituents who know of people who cannot see, to send those names, addresses and telephone numbers to me—with their permission, of course—so that we can send these people a cassette of the parliamentary report. I think with the tabling of this document, we are setting a new precedent so that we will not forget any of the handicapped across Canada.

OFFICIAL LANGUAGES ACT

TABLING OF REGULATIONS

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 32(1), I am pleased to table, in both official languages, the draft of the proposed regulations respecting communications with and services to the public in either official language. This is tabled in accordance with section 85 of the Official Languages Act.

[*Translation*]

GOVERNMENT RESPONSE TO SECOND REPORT OF STANDING COMMITTEE

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Pursuant to Standing Order 109, Mr. Speaker, I have the pleasure of tabling, in both official languages, the government's response to the Second Report of the Standing Joint Committee on Official Languages.

[*English*]

Mr. Allmand: Mr. Speaker, while we are pleased to receive these regulations to implement the Official Languages Act of 1988, I must point out to the House that this is two and a half years after the passing—

The Acting Speaker (Mr. Paproski): The hon. member could raise that at another time. That is debate. The hon. Minister of State.

* * *

[*Translation*]

CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table in the House the government's response to the report of the Standing Committee on Consumer and Corporate Affairs and Government Operations, "Living with the GST", in both official languages.

* * *

[*English*]

ENVIRONMENT

THIRD REPORT OF STANDING COMMITTEE—GOVERNMENT'S RESPONSE

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the government's response to the third report of the Standing Committee on Environment entitled *Deadly Releases of CFCs*.

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

* * *

PETITIONS

GOVERNMENT'S RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's responses to 27 petitions.

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

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COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—SEVENTH REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Public Accounts. In doing so, I have some comments that I wish to make.

The seventh report of the public accounts committee on the reform of the Public Service, which I have the honour to table today, deals with Public Service 2000 and the need for major changes in several important areas of personnel management.

While the committee supports and recognizes the need for the broad based reform launched under Public Service 2000, there is a major concern that the process is

being rushed without adequate consultation with the Public Service unions and other interested parties.

The committee has therefore recommended that the government table a discussion paper in relation to the findings of Public Service 2000 and refer it to a new special committee on reform of the Public Service before introducing key legislative changes in the House.

Another matter upon which the committee has placed great emphasis is the serious problem of deteriorating morale in the Public Service. The committee identified four important areas where specific improvements can be made to raise morale, the process of contracting out the system of pay and benefits, the difficulties dealing with the poor performance, and the need for purposeful training.

For example, the committee recommended that the Auditor General examine the cost effectiveness of contracting out by government agencies, including its impact on the morale of public servants. The committee also revisited several important areas that have been the subject of earlier reports in the House, notably staffing, job classification, and the need to clarify the role, responsibility and accountability of the central agencies responsible for the management of people in the Public Service.

A key recommendation addressed to the Treasury Board and the Public Service Commission called upon these agencies to ensure that every authority relating to personnel matters that is delegated to departments and agencies is accompanied by appropriate and effective accountability mechanisms to see that things are going right.

The committee has requested the government to reply by November 30, 1990 with regard to changes in the process followed by Public Service 2000 and within 150 days with respect to all other recommendations.

NATIONAL DEFENCE AND VETERANS AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on National Defence and Veterans Affairs on maritime sovereignty.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report within 150 days.

The committee has had an opportunity to ascertain the surveillance, chase and apprehending capacities of our maritime forces, particularly in respect of the protection of Canada's laws. In the search for evidence the committee has undertaken, we became overwhelmingly and unanimously impressed with the professional conduct of our Canadian forces. We also have heightened our realization of the extraordinary work that they do in the preservation of Canadian law.

It is fair to say that all members salute the fact that on a day-to-day basis it is the Canadian forces that are, often in unknown and unreported ways, protecting against international polluters and terrorist attacks, looking after and protecting our ocean resources, guarding against illegal immigrants coming into our country and, in particular, conducting search and rescue efforts on behalf of Canadians.

This quasi-military effort on behalf of our forces is an important and encouraging element of our sovereignty. It is on this basis that the committee has put 18 recommendations before the House of Commons.

Mr. Brewin: Mr. Speaker, I rise on a point of order. I am sure the hon. member did not intend to imply that there was unanimous support within the committee for the recommendations. While our party respects and supports many of the recommendations in the report, the report was not unanimous.

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

* * *

• (1120)

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

Hon. Gilles Loiselle (for the Minister of State (Privatization and Regulatory Affairs)) moved for leave to introduce Bill C-93, an act to amend the Bretton Woods and Related Agreements Act.

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

Routine Proceedings

PETITIONS

GOODS AND SERVICES TAX

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the pleasure to present a petition to the House signed by people in many communities in Ontario and Quebec. The petitioners ask the government not to impose the GST on magazines, books, and newspapers.

Never since Confederation has a tax been placed on these items. This government is planning to tax reading by taxing books and newspapers. These people want the system left tax-free so that it will not inhibit reading and the dissemination of knowledge in any way.

RADIO LICENCE FEES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have a petition from a great many concerned citizens in my riding wherein they say that the fire departments provide a very vital service in protecting the lives and property of citizens.

The federal Department of Communications has imposed huge increases in licence fees for radio-telecommunications, including all emergency service radio equipment. This will make it very difficult for these fire departments because a great many of them deal in voluntary service. They are not paid. They risk their lives on a regular basis.

The communities have to fund these departments and to pay the costs. The communities are strapped now and will perhaps be more so if the economy keeps going into recession.

I think it is very unfair for the government to request increased fees and thereby jeopardize the services that fire departments provide.

GOODS AND SERVICES TAX

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have a number of petitions from people in Victoria and Montreal. They call upon Parliament to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

Again this government will not listen to the many Canadians who have signed petitions. They are forced to call upon the government to recognize the fact that the printed word should not be taxed and should retain the favoured position it has held in the past.

They ask that their petition be heard.

CANADA POST

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to table several petitions containing almost 400 names of persons from the villages of Watford and Alvinston in my riding of Lambton—Middlesex.

The petitioners are availing themselves of their ancient and undoubted right to present their grievance to the House, urging the government to ensure long-term operation of the post offices in their respective communities. The petitioners are upset that the government is closing them down in towns and villages across rural Canada. They do not want their mail to be dispensed through Becker's or 7 Eleven stores.

I just want to say a special thank you to the village council in Watford for leading this fight and a special thank you to Stella Ferguson for leading this fight on behalf of the constituents in her area.

GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, under the government's proposed goods and services tax reading materials such as magazines, books, and newspapers will be taxed. Such a tax will jeopardize literacy and learning and will undermine the important role of education.

These hundreds of petitioners from across Ontario call upon Parliament to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

I received a response from the government to previous petitions on the GST, and the government admits in its own words that it will tax reading materials.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition today. I note that just the other evening the new Tory majority in the Senate gouged Canadians again by refusing an amendment to the goods and services tax bill that would have saved Canadians from excessive heating fuel charges this winter. This greedy, grasping government is proceeding

with this bill in the face of all kinds of objections from Canadians.

The petitioners who have signed this petition are objecting to the government proceeding with the goods and services tax. Admittedly their objections are based on the desire to stop the tax on books and magazines which they oppose. It is the first time in Canadian history that we have had a tax imposed on books and magazines, and they are objecting to it.

However, had they been here to watch the proceedings in the Senate, they would have been outraged at the approach of the Conservative majority in that place.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to Standing Order 36, I have a petition to table in the House today. This petition supports many others I have tabled previously, to the effect that taxing books means promoting ignorance and that the government is making a mistake when it proposes to tax publications. Your petitioners maintain that newspapers, books and magazines should be completely exempt from this tax. After all, we are in a democratic society.

Your petitioners, dozens of whom state here that free distribution of printed matter is one of the cornerstones of our democracy, culture and education, claim that an educated and productive society will suffer as a result of a tax that would restrict reading in this country, Mr. Speaker.

Mr. Speaker, I think this petition speaks for itself and that we should act on its recommendations.

[*English*]

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a large number of petitions to present today from constituents of Blue River, Vavenby, Birch Island, Clearwater, Black Pool, Little Fort, Darfield, Lewis Creek, Barriere, Chu Chua, Heffley Creek, Knouff Lake, Aspen Grove, Red Lake, Pass Lake, Pinantan Lake and Pritchard, British Columbia.

All these petitioners, and there are hundreds of them, point out a whole set of concerns for the government's decision to proceed with the cruel and punitive goods and services tax. They point out how it is going to cost average families hundreds of dollars in additional taxes every year, coming at a time when the policies of the government have also driven us into a recession. They simply ask the government to come to its senses and stop proceeding with this GST.

I have another petition to present, mainly from constituents of Kamloops. They point out that the government is now going to place a tax on books, including religious books, so that when people buy bibles, religious pamphlets or religious story books for their children they will have to pay an extra government tax on this literature.

They just cannot believe that this is proper, appropriate, decent or sensible. They ask the government to stop taxing reading material.

LOW-LEVEL FLIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is my duty and indeed honour to present two petitions under Standing Order 36. The first one is signed by people from many parts of Canada, including Winnipeg, Manitoba; Waterloo, Ontario; Dundas, Ontario; Greenwald, Manitoba; Parkside, Saskatchewan; and many other communities in Canada.

These people are calling for an end to low-level flight training over aboriginal lands, certainly until at least the aboriginal claims have been dealt with.

These people recognize that the proposed training centre is not going ahead. Nevertheless the flights continue.

I think the petitioners would like me to point out that the Innu walk to Ottawa is culminating this weekend with a rally on Parliament Hill at two o'clock on Saturday.

• (1130)

GOODS AND SERVICES TAX

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present a petition under Standing Order 36. It is signed by several persons living in the London, Ontario area and it calls upon the government to get rid of the goods and services tax.

The petitioners ask the government to reform the taxation system so that there is an effective, minimum tax on wealthy individuals and corporations. They also ask that if and when there is broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity for the government to impose a massive tax grab.

The petitioners want Parliament to cause the government to cease with a proposal which will shift the tax burden on to ordinary Canadians, through a regressive consumption tax, instead of through real tax reform.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, under Standing Order 36, I have a petition signed by Canadian citizens from various communities, adding further to the number of dissenters. The petitioners are expressing the outrage of the Canadian public in general to the tax on reading materials. This is a cruel and brutal tax, it is unprecedented in this country, and, it is unprecedented, I think, in any other civilized society in the world.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 348 and 368.

[*Text*]

1987 PROTOCOL TO THE GREAT LAKES WATER QUALITY AGREEMENT

Question No. 348—**Mr. Caccia:**

1. With regards to the 1987 Protocol to the Great Lakes Water Quality Agreement, (a) what new data must be provided (b) when will programs be in place to compile such data (c) has such data been compiled and, if so, for which years (d) will the data be released to the public and, if so (i) in what form (ii) when?

2. With regards to the same Agreement (a) by what date was the priority list of toxic substances to be prepared (i) when will it be prepared (ii) released to the public?

Right Hon. Charles Joseph Clark (Secretary of State for External Affairs): 1. (a) The 1987 Protocol to the GLWQA calls for the collection of data as part of programs to:

—remedy longstanding severely polluted areas ("Areas of Concern")

—develop lakewide management plans;

—address contaminated sediments and groundwater;

—quantify toxic substances in the air and in land run-off;

—assess human health effects;

develop ecosystem objectives and water quality objectives that can be agreed upon by jurisdictions in the Great Lakes basin.

b) Programs are now in place to collect such data.

c) Canada's first report under the 1987 Protocol, based on data collected, was made public in February, 1989. It covered the period 1987-88.

d) December 31st, 1990 marks the end of the second reporting period under the 1987 Protocol. Canada's report for this period will be made public in the form of a progress report to the International Joint Commission. We anticipate the report will be released early in 1991.

2. Through consultation and cooperation, the Parties to the 1987 Portocol to the Canada-United States Great Lakes Water Quality Agreement have drafted Standard Methods and developed the required Lists of Substances. The Standard Methods determine those substances believed to have acute or chronic effects on aquatic or terrestrial biota and are believed to be present in, or have the potential of being discharged to, the Great Lakes system. They take into consideration acute or chronic toxic effects, carcinogenicity, teratogenicity, mutagenicity, bioaccumulation and environmental persistence.

The Agreement calls for the compilation and maintenance of three Lists of Substances, to be used to guide the Parties, State and Provincial Governments and the International Joint Commission in proposing substances for new Specific Objectives. These Lists, *Present and Toxic, Present and Potentially Toxic, Potentially Present and Toxic*, were developed in 1989.

A Protocol for adopting chemical objectives is also being developed for federal, provincial and state review.

In March of 1990, the Standard Methods and Lists of Substances were released to the public for review. Comments have been received and are being reviewed by the Binational Objectives Development Committee. Annual updates will be published every spring for public comment.

ADVICE BY THE MILITARY TO THE GOVERNMENT ON THE POSSIBILITY OF ARMED CONFLICT IN THE PERSIAN GULF

Question No. 368—**Mr. Duhamel:**

1. Was the government advised by the military and or other advisors on the probability of armed conflict in the Persian Gulf crisis, prior to Canadian troops being sent and if so, (a) what did they indicate on this probability (b) what did the briefings indicate might be the possible loss of life?

2. Have these estimates changed subsequent to the initial briefings?

Hon. William Hunter McKnight (Minister of National Defence): The information requested is considered a Privy Council confidence and therefore cannot be released or provided under the terms of the Access to Information Act.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 341 could be made an Order for Return, the return would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Question No. 341 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

* * *

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, would you call Starred Questions Nos. 353 and 354?

The Acting Speaker (Mr. Paproski): Starred Questions Nos. 353 and 354.

Mr. Cooper: Mr. Speaker, I ask that these two answers be printed in *Hansard*, as if read.

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

Some hon. members: Agreed.

[*Text*]

SECTION 26 OF THE UNEMPLOYMENT INSURANCE ACT

*Question No. 353—**Ms. Langan (Mission—Coquitlam):**

Have any Canadians applied for and been denied training under Section 26 of the Unemployment Insurance Act, and if so, how many (a) in each province of Canada (b) in each month of 1990?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): Employment and Immigration Canada does not keep records of the number of Canadians who have applied for and been denied training under Section 26 of the Unemployment Insurance Act. The department only keeps information on the number of Canadians who have received training under Section 26.

REVENUES RECEIVED BY THE GOVERNMENT UNDER THE PROVISIONS OF BILL C-21

*Question No. 354—**Ms. Langan (Mission—Coquitlam):**

Since January 1, 1990, has the government received any revenues under the provisions of Bill C-21, An Act to amend the Unemployment Insurance Act and the Employment and Immigration Department and Commission Act. (The Minister of Employment and Immigration) and if so, how much was received, (a) in total (b) for each month of 1990?

Hon. Barbara Jean McDougall (Minister of Employment and Immigration): For 1990, employers were encouraged to remit U.I. premiums on a voluntary basis at the rate of $2.25 per $100 of insurable earnings as proposed in Bill C-21, instead of remitting at the rate of $1.95 under the unamended legislation, in order to avoid the hardship associated with lump sum retroactive payments to be made by employers and employees after Bill C-21 is passed.

a) and b) Accurate data with respect to incremental premiums remitted voluntarily will not be available until employers complete their T4 summaries during 1991.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

CONFERENCE ON SECURITY AND CO-OPERATION

SUMMIT OF HEADS OF STATE AND HEADS OF GOVERNMENT

Hon. Pierre Blais (for the Secretary of State for External Affairs) moved:

That, in view of the upcoming Summit of Heads of State and Heads of Government of the Participating Parties of the Conference on Security and Co-operation in Europe (CSCE) in Paris, on November 19, 1990 this House express its support for the CSCE as a key pan-European and trans-Atlantic forum within which a new co-operative security framework can be built through the maintenance and development of its comprehensive approach to security, political, economic, environmental and human dimension issues, and strengthened by the development of the structure of the CSCE process, including by the creation of a CSCE parliamentary assembly.

The Acting Speaker (Mr. Paproski): Pursuant to order made on Wednesday, November 7, the debate may continue until two o'clock p.m., without interruption.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, this debate is an important opportunity for the House once again to consider Canada's foreign policy.

I think the Secretary of State for External Affairs, in moving this resolution, has given us an important opportunity because in our country foreign policy is not a luxury issue. It is something that is fundamental to the definition of who we are as Canadians, and what our future might be.

On the eve of this forthcoming meeting which will take place on November 19 in Paris, I think it is important for members of Parliament to have the opportunity to speak out about the changes in Europe in light of the end of the cold war, and the emergence of new alignments and new possibilities there.

The Secretary of State for External Affairs has already addressed, in a rather significant statement of government policy on May 26, 1990, Canada's view of CSCE, the Conference on Co-operation and Security in Europe, in a speech at Humber College in the Etobicoke—Lakeshore constituency. This speech has since been referred to as the Lakeshore declaration.

I am sure a number of members will pick up some of the ideas from that in the course of our debate this morning.

Just as North American history would be vastly different without Europe, as any of our native peoples in this country could very clearly describe for us, so too European history would be vastly different without North America. It was to these shores that Europeans came to escape religious persecution, famine, hunger, political strife, to make a new home and new economic opportunity.

It was from these shores that, as colonies, a great amount of wealth and resource was shipped to Europe, which enabled European countries to build up their wealth and power.

In this century, Canadian men and women wearing the uniform of this country and using the resources of our country as an arsenal for democracy have more than once proven that Canadian history and European history are inexplicably linked.

As we debate this morning, on the eve of Remembrance Day across our country, many of us wear the symbolic poppy to remember the many thousands of Canadians who gave their lives or who returned to our shores carrying lifetime wounds because they had participated as Canadians in European-made wars. Therefore, we are not outsiders to what happens in Europe.

We want peace and security in Europe, because history teaches us that this governs how much peace and security we can have here. We want peace and security in Europe because the defence expenditures which we incur are no longer due to any North American threat but because of instability or the threat of conflict elsewhere.

This concept of Europe across the Atlantic is perhaps a concept more important to us as Canadians than it is to the Americans, simply because of our continued need as a smaller country that is actively engaged on a global basis to maintain balance.

I see our country in the state of transition, from the model, the institutions and the ideas of a 19th century nation-state into a 21st century international country. Certainly one aspect of this role of being an international country is participation within regional organizations and associations that stress not national boundaries, but rather stresses common security and shared interests.

That is why in the European theatre, Canada has been active and continues with NATO, including the political clause that Prime Minister Pearson ensured was included in the North Atlantic Treaty, in the European Common Market and the possibility soon for us to have a more formal link with the European Community. The third element that is evolving, CSCE, is an amazing arrangement of conferences and meetings and agreements that represent a collective effort at the highest political levels to pursue a common interest.

• (1140)

Canada has participated fully in the CSCE process from the outset, and we are committed to it because of a basic objective, as I have already said, to enhance security and the confidence that we have a peaceful future.

We want to see barriers broken down that have divided people. We want to facilitate the freer flow of information, freer flow of ideas, the freer flow of people.

[*Translation*]

Our interest and involvement in Europe go beyond the major sacrifices Canadians have made in the past. They are not based on any vague reminiscences of our European roots. They reflect a very concrete estimate of the importance of Europe to Canada and Canada to Europe, and the importance of the European—North Atlantic community as a whole within the global context.

Europe is more than a geographical concept. It contains the vast majority of democratic countries on this planet. It contains the vast majority of countries with market economies. It contains the vast majority of countries in this world that recognize that a pluralistic democracy and the rule of law are essential to safeguard all human rights and all fundamental freedoms.

That is the context in which we should see the CSCE. The CSCE, a series of conferences and agreements involving 32 European nations as well as Canada and the United States, was one of the main catalysts of the changes that have taken place in Europe. The CSCE should be the instrument of choice for building the future order of a new and strong Europe. It is the drawing board where Europe's new architecture will be designed.

[*English*]

To design with this architecture a new Europe, it is essential to build a CSCE which is both flexible and capable of growth and adaptation. We want to see from the Canadian perspective a CSCE that is both pan-European and trans-Atlantic, as well as a forum within which a new co-operative security framework can be built.

This morning I want to touch on two aspects of this, Mr. Speaker. The first will deal with CSCE institutions. In this respect I will mention briefly that the member of Parliament for London—Middlesex, who is chairman of the Canada-Europe Parliamentary Association, was recently invited to attend the meeting organized by the Parliamentary Assembly of the Council of Europe. That meeting was held in Strasbourg. Its purpose was to discuss a parliamentary dimension of the CSCE. The resolution before us refers to the creation of a CSCE parliamentary assembly.

The member of Parliament for Halifax West, the Parliamentary Secretary to the President of the Treasury Board, will be speaking shortly in greater detail about this dimension. I am sure other members will as well.

Just to note, Mr. Speaker, the unavoidable absence of the member for London—Middlesex. The hon. member wanted to participate in this debate but is representing the Prime Minister elsewhere at this very moment.

When he participated in that meeting in Strasburg, he expressed concern in the course of the discussions that Canada, as a full member of the CSCE, should not be left on the margins of any type of parliamentary assembly, nor should there be any indication of a weakening of the Europe-North America relationship.

The resolution that was adopted at the conclusion of their debate supported a formula for an assembly of Europe. The hon. member, in fact, abstained from voting on that resolution because he had had no opportunity to discuss this here in the Canadian Parliament. He was concerned to ensure that any new assembly would be a legally distinctive entity from the Assembly of the Council of Europe. Therefore, this opportuntiy we have

this morning to discuss this will be very helpful in outlining a form for Canadian policy in this direction.

As I said, the member for Halifax West will shortly give further thoughts from his considerable experience on this subject as to what future directions might be.

The second area that I will speak on and conclude with, Mr. Speaker, relates to the security aspects of the Conference on Security and Co-operation in Europe and particularly the confidence-building measures.

Toward the end of this month, as the parties meet in Paris, there will be another stage reached in the creation of a more secure future for Europeans and North Americans. Canadians have played a big role in getting to this stage. The stage will be marked by the development of a further framework through a treaty to reduce and limit conventional forces in Europe.

These are the so-called CFE negotiations, conventional forces in Europe. They are drawing to a close. In parallel with those negotiations, there have been other meetings by the CSCE participants on a range of measures to build confidence—what are often called security-building measures. These have been under discussion. The goals of these confidence and security-building measures, unlike the negotiations for armament reductions, are not to reduce military capabilities, but rather to expose what exists to public scrutiny and the scrutiny of other sides.

I want to say at this juncture that this is actually one of the most revolutionary concepts, when you think about it. It came through in the open skies concept which Canada has been doing a lot to support. We held a conference here in Ottawa earlier this year.

Anyone who has read anything about military strategy knows that one of the key elements always is the element of surprise. What we are talking about here, this openness or transparency, is to remove totally the element of surprise by permitting rivals, or thought to be rivals, the opportunity to see and to know clearly and concisely what the other side has available, where its troops, armed forces personnel, carriers, tanks, and aircraft are located, and the strength and deployment of those forces.

The intent of this approach is to create an atmosphere of openness and trust, trust about the military intentions of other countries. The end result is quite significant because national security measures taken by countries are very much based on the anticipated threat of what the other side may be intending to do. Military planners through the ages, and certainly in this century, have had to plan and develop strategies, and commit significant expenditures of government money by anticipating the worst possible threat, what they call the worst case scenario. Often in an atmosphere of mistrust, and the cold war certainly gave us sample doses of that, fear is the common denominator on all sides, the fear of being caught less prepared than the enemy. In that context, a significant arms buildup took place.

• (1150)

We all know of the billions and billions of dollars that have been spent on the arms race in this century. It is a deplorable miscalculation and misallocation of resources that could have been spent so much better on the underlying causes of instability. It would have made a better world rather than an arms buildup.

That is why these measures are of a revolutionary nature. Fostering trust and having openness is a way to create an entirely new atmosphere in which peace can prevail, military expenditures can be reduced, and the risk of war can be minimized.

In the final act at Helsinki, which was concluded in 1975, there were a number of relatively modest confidence-building measures. For examples, nations were encouraged voluntarily to notify each other of their plans to conduct certain large military exercises so that others would not think that there was some planned invasion afoot.

The CSCE is a continuing series of meetings and discussions as these ideas take hold and are reflected in governmental policy of all the participating European and North American countries. At the Madrid meetings which were held between 1981 and 1983, new security-building measures were developed.

The hon. member for Parkdale—High Park, who will be speaking in just a moment, was a participant at the Madrid conference. I am sure he will take the opportunity to elaborate somewhat on that aspect of this.

We are getting down to the present time, and I do not have time to go on to outline in detail what these subsequent measures specifically have been, but they are significant and include great arms reductions. For example, the U.S.S.R. will have no more than 13,300 battle tanks in Europe. This is compared to more than 41,000 which were present just in the middle of 1988. It is a reduction from 41,000 to 13,300. With artillery, there will be a reduction from over 42,000 to fewer than 14,000 artillery pieces. In terms of armoured personnel carriers,

there will be a reduction from nearly 58,000 to 20,000, a reduction of 38,000.

Those numbers go right over most people's heads. Those 38,000 armoured personnel carriers lined up would stretch from Montreal to Toronto along the Macdonald–Cartier freeway. That would demonstrate graphically the size of the armed camp that Europe has and the size of the reductions that are taking place because of the new atmosphere being engendered through the CSCE.

The meeting that will take place in Paris on the 19th of this month will be another significant step. Canadians can take a great deal of pride in the role which our country has played in seeing that our common security and our future in the global and regional relationship with European powers will be secure because of this new order. The House will hear in the coming hours from other MPs. This is a chance to really speak as Canadians, particularly on the eve of Remembrance Day. We are mindful of past sacrifices that men and women of the country have paid in made–in–Europe wars and that a new future is ahead of us. The direction of Canadian foreign policy in this area, developed over a number of years now with different governments all speaking for a common Canadian interest, can continue to be strong and supportive.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it is always a pleasure to debate Canada's foreign policy with my good neighbour from Etobicoke—Lakeshore. I say good neighbour because our ridings are neighbouring ridings and our constituents come from similar roots. We both have Canadians who come from all countries that belong to the CSCE, including a non–European country such as the United States.

I was pleased that the parliamentary secretary placed such importance on this aspect of foreign policy, but I was very disappointed that there was not even a minister on the government side to move the motion. Does the government really take foreign policy seriously? I did not expect the Secretary of State to be here because I know he is in Toronto to make a major speech this afternoon which I hope to get to. Surely, the government would have had a couple of ministers in place to move and second the motion. That is no reflection on the part of the parliamentary secretary. I know he does his work very conscientiously.

My first encounter with the CSCE process was in the Madrid conference of 1980 to 1983. I was there with a group of parliamentarians from the House and we witnessed the corridor negotiations that were going on in resolving human rights issues. We witnessed the violent public demonstrations with representatives from Canada, the U.S., Ukraine, Poland, Czechoslovakia, and Hungary, all asking the CSCE delegates to address the human rights issue. This is where Canada always took a lead. While the Soviet Union and other countries wanted to address disarmament, and rightly so, Canada made sure that the issue of human rights violations was always addressed at these conferences since it is one of the items in basket one.

In January of 1989, at the conclusion of the Conference on Security and Co–operation in the Europe follow–up meeting, I remember the somewhat cautious, but at the same time elated, atmosphere that resulted from the series of successful meetings. Even the harshest critics could not deny that the CSCE was indeed alive and well and becoming a very real expansion of east–west relations.

When the Helsinki Accords were negotiated in the early days of *détente*, some called it a new era of pan–European co–operation. Others called it a Soviet victory in ensuring post World War II borders. Even this year we saw how German unification made the Poles and Lithuanians very nervous. Was this a threat to their present borders? Whatever the interpretation was, however, the Helsinki final act provided specific principles to guide the behaviour and relationship of countries with economic, political, and social discussions.

The Helsinki process was not easy. It could not be. There was a need to believe in the process, to persevere, to cross cultural and ideological lines, and to arrive at some common ground. Even then, people called for an abandoning of the process because of the violations by the Soviet Union and eastern Europe. At the end of day, at the end of the Vienna follow–up conference that took place from November 1986 to January 1989, there was a blueprint for the future, signed by all 35 participants. Vienna began, as Gorbachev introduced his *glasnost* and *perestroika* reforms. Although the United States and the Soviet Union have no more voting power than any other

country, the influence of the two superpowers on the determination and success of the process cannot and should not be under-estimated.

• (1200)

As the optimist would have it, *glasnost* and *perestroika* made their way into the Vienna conference and with the change in attitude on behalf of the Soviet Union, subsequent conferences became a reality. We have seen some of the 11 conferences agreed upon take place, including those demanded by the Soviet Union on the human dimension in France in May 1989, in Copenhagen in June of this year, and we are now gearing up for the Paris summit of the heads of states and heads of governments of the participating countries on November 19, less than a week away.

The scope of the areas covered by the conference is truly astonishing. Therein lies the need for clear direction and clarification, not only of the future of the CSCE but of the future of other international bodies that have mandates to address specific areas that may either overlap or run parallel to the role that the conference has played in the past.

Historically, the conference was made up of three baskets. Basket one was made up of sovereignty, both territorial and internal affairs, the need for peaceful resolutions of disputes, the respect for human rights that include economic, cultural, social rights, fundamental principles of freedom, self-determination of peoples, and the integrity of frontiers and territory.

This expanded further with the co-operation of the members to include terrorism, religious freedom and capital punishment. This basket is also closely watched because it deals with confidence and security building measures. Disarmament, conventional and nuclear, will have to be dealt with within the framework of CSCE, although the hesitation is still real.

I would like to draw to the public's attention how other countries are now pointing fingers at Canada whether we ourselves are not violating basic human rights. Just Monday of this week I received a suicide note from Mr. Biedrzycki of Montreal, not my constituent but he was so frustrated that he sent me the suicide note. He wanted to jump off Jacques Cartier Bridge in Montreal. Why? He came from Poland as a refugee five years ago, he and his wife. His uncle in Montreal is providing them with a home to live in. His uncle is providing him with employment.

Here is a couple, five years in Canada, ready to work and ready to provide jobs for other Canadians. What was he caught in? He was caught in the refugee backlog. Five years, Mr. Speaker. I ask, were not the rights of Mr. and Mrs. Biedrzycki violated in their own country? Is this what the CSCE would promote, that it takes five years to determine whether a person should stay in our country? The ironic part of this whole case is had he come to Ontario, he could have applied as a self-exiled refugee class and would have had his landed immigrant status at least three years ago.

Because he went through the refugee backlog, he is not allowed to stay in our country. He will be sent back to Poland in handcuffs, escorted by two security guards. This is the way we treat new Canadians coming to our country.

Where we Canadians always set an example for other countries in the human rights area, we now have this black mark because of that government bungling of the whole immigration refugee policy.

Let me take you on to basket two, Mr. Speaker, of economics, science, technology and the environment. This would seem to be the easier in terms of negotiating toward consensus.

It can be argued however, especially today, that as our very security is threatened by global economics and the state of the environment, were one to want to make real progress, that consensus will, as in the past, not come that easily.

The transfer and exchange of science and technology makes up a fundamental facet in the improvement of standards and conditions of living, and therefore are closely linked to economics and to the environment. I suspect a strong commitment, followed by substantive action, will be the minimum required to tackle this basket and to be taken seriously in doing it.

Basket three deals with human contacts: information, co-operation and cultural, educational exchanges. Canada has traditionally been very vocal in these areas, taking a special interest in unification of families and humanitarian gestures.

The Vienna meeting obliged conference members to publish by law all laws and regulations dealing specifically with the movement of peoples within and between states. I think we need some laws and regulations to handle cases like the Biedrycki case that I mentioned earlier.

You see, Mr. Speaker, the list is exhaustive, the scope entirely flexible and unlimited. Now, even more than ever, the opportunity is here to expand the role and increase the effectiveness of the CSCE. I am very pleased—in fact, I am somewhat surprised by the seeming seriousness of this government to take that opportunity and to play a leading role in the future of the conference by way of this motion in front of the House today. My colleagues and I have no argument with the principle of this motion.

In fact, when Mr. Shevardnadze visited Canada in May of this year and spoke to the Standing Committee on External Affairs, he expressed hope that the CSCE would play a larger role and would, in fact, become the forum for expanded east-west relations.

My colleagues and I then endorsed the concept as an ideal balance for those countries affected by the changing global climate, to play a more significant role as will be expected, the closer together superpowers become ideologically.

For once, we will be able to turn our attention to other problems, other security threats, as was referred to by the Secretary of State in his speech in May that the parliamentary secretary alluded to when he launched the government's new policy in Europe.

I cannot help but wonder, however, how this new initiative will fit in with the Europe of 1992, as we have already heard the desire of some of the countries to take more charge of their affairs and not involve North America as much in the decision-making process.

How are we going to retain the trans-Atlantic nature of the CSCE? I must say here that when the Standing Committee on External Affairs visited the Soviet Union and then visited the two Germanys on May 1, we heard both from the East Germans and the West Germans that they want the participation and involvement of Canada and the United States as full members. This was very reassuring to hear.

I would still like some clarification though on the nature of the role of the Parliamentary Assembly that is referred to in the motion, the Crisis Resolution Centre and the Permanent Secretariat. I would like to know how all this changes the role of NATO.

Does the minister see the conference replacing NATO, or working alongside to it? If this is the case, what does he envision as the future of the Warsaw Pact, which is now defunct? How can the evolving CSCE guarantee peace and security to the countries that once belonged to the Warsaw Pact? What will be the criteria for new members? How will the Baltic States that desire membership be treated?

Here I must say, Mr. Speaker, I know how you fought for protecting the non-recognition policy for the three Baltic States, Estonia, Latvia and Lithuania.

Because of the Persian Gulf crisis, because of our own Oka situation, somehow the world has forgotten these three countries when the west, Canada and the United States included, said all along: "We do not recognize the Soviet occupation of these countries."

If we did not for 50 years, why are we doing it now?

• (1210)

Should this issue not be addressed by the evolving CSCE? These people want an answer.

I do not think I am letting anything out of the bag here, but I understand that the leader of Lithuania and the leader of Latvia are negotiating to come and visit us in Canada. Rumour has it that the Prime Minister is prepared to meet with them officially.

And this, I want through you, Mr. Parliamentary Secretary, to pass on to the Secretary of State for External Affairs and to the Prime Minister, a sincere thank you on behalf of Canadians of Baltic origin. I think that is a very important and significant move. You have the full support from this side of the House.

Another question is, what will be the criteria for countries admitted as observers if some countries cannot belong as members, but would like to come as observers? How should we treat these countries? Who will make those decisions? Or, will these types of decisions require unanimity amongst all 35 participants?

This was something new for me when I attended the Madrid Conference. I learned how everything had to be agreed to by consensus. When the conference could not even agree on the agenda, they stopped the clock. Here we were into the next day, but the clock said no, we were still back in the day preceding. These are all techniques that they have at their disposal.

CSCE has been, and should continue to be a vital venue for Canada's international activities. We must expand our activities within the framework. At the same time, we must let it be known to Canadians that this venue is available to us to use for the benefit of global and domestic security. Unfortunately, little has been known about the whole process and how we fit into it. Even less has been known about how we as Canadians are bound by those same principles and codes of conduct that we expect other countries to abide by.

It could only enhance our lives were we to appreciate that, right down to the fundamental freedoms and the right to equality, each and every one of us is protected, and each and every one of us is a beneficiary.

In closing, I would like to offer, again through the parliamentary secretary, that this motion be expanded, or at least be understood that the Secretary of State for External Affairs will open this process to public dialogue among all Canadians who want input, whether it be through the Standing Committee on External Affairs and International Trade or through a subcommittee.

For the Madrid Conference, Canada played a very vital and leading role because prior to the conference, we did strike a subcommittee, getting input from all the various interest groups; from Canadians who come from these countries, and a report was written and submitted. This report is still referred to today.

I think it is time again that we heard from Canadians who have immediate relatives or friends in the Soviet Union, in eastern Europe. I think this is what Parliament is all about, to listen to the grassroots Canadians. Based on their input, let us then develop a meaningful, responsive and responsible foreign policy. Maybe this is an initiative that the parliamentary secretary could take on.

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops on a point of order.

Mr. Riis: There have been discussions, and I think you are aware of the discussions that the first round of speeches of 20 minutes was agreed to. Unfortunately, our spokesperson has joined his colleagues from the government and the official opposition at a press conference and will be here momentarily.

I wonder if it would be acceptable to everyone if our next speaker would speak for only 10 minutes and when the round comes around again to the New Democratic Party, we would have 20 minutes.

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

Some hon. members: Agreed.

Mr. Milliken: Mr. Speaker, I would certainly agree. Perhaps the hon. member for Kamloops could get tapes of the previous two speeches so that the critic could see them before he gives his speech.

Mr. Derek Blackburn (Brant): Mr. Speaker, it is a pleasure and a delight for me to speak briefly on this motion in the name of the Secretary of State for External Affairs with respect to CSCE, the Conference on Security and Cooperation in Europe, where Canada belongs in that organization and where we see that organization going in the future.

Just to repeat very briefly what has already been said, while Canada is a North American nation it has always had very strong ties to Europe. Most Canadians who are knowledgeable on the subject of that aspect of international relations would classify themselves as Atlanticists.

I think we realize and truly appreciate that the cultural and ethnic background of an overwhelming majority of Canadians is European and that in that regard we have extremely close ties on a personal and social basis with Europe. We also have very strong ties politically and economically, particularly in matters of international trade and commerce. Also in the field of investment there have been very active transactions across the Atlantic for many, many years.

I suppose our first baptism of fire, literally speaking, in terms of European involvement, came with World War I, in which we acquitted ourselves with great distinction, honour, bravery, and courage. In a couple of days' time once again we will be recognizing those eventful years and the great effort and great sacrifice made by so many Canadians.

In the inter-war years we were not nearly as active in Europe, perhaps not as active as we should have been, and I think Europe suffered for it as a result. When I say that we were not that active or as active as we should have been, neither was the United States. We have learned a lot since then, that we do have a place in Europe and European security and that we are wanted in Europe in terms of maintaining stability and helping Europeans in their inter-European affairs.

During World War II we made another very substantial contribution in that dreadful war, and through NATO for the past 40 years we have had an active role as well.

In all these interventions or in all these relationships Canada has acted with considerable distinction, a lot of courage, and a great deal of imagination. In fact it was Lester Pearson who insisted on the so-called Canada clause of NATO, in which he argued that NATO should be much more than just a military alliance, and of course my party and I very much agree. It should also be a social, economic and cultural relationship.

Having said that, we are now confronted with a happy problem in terms of what should be our role now in the CSCE. We have been active in it since its beginnings back in the 1970s. I am happy to see that we intend to remain a part of the Conference on Security and Co-operation in Europe.

There are many reasons I would argue that this is of fundamental importance to Canada. Not only will it continue the tradition of Canada's close ties with Europe, but it will allow us to make a meaningful contribution to a continent that really is very much in upheaval at this time.

We have very happily accepted the events in eastern Europe in the past year or year and a half. We have seen eastern Europe transform itself with virtually no bloodshed, except for Romania, from Marxist totalitarianism toward a more liberal, democratic society. We have seen it first in Poland, then of course more recently in Czechoslovakia and Hungary, and in the unification of east Germany and west Germany.

This process has brought great happiness to Canadians, to Americans, and to Europeans. It has also brought many problems, primarily of an economic nature but also of an ethnic nature.

There is a lot of unrest in countries like Yugoslavia, Romania, even parts of Czechoslovakia, and certainly in the Soviet Union. Of course the Soviet Union is a special case in itself. We welcome the changes that *glasnost* has brought to the Soviet Union: the more open society, the more liberal society, and the more tolerant society. Certainly the citizens of the Soviet Union are happy with that turn of events.

• (1220)

Quite frankly—and I was there very briefly this past summer for about 10 days—the people in the Soviet Union are extremely unhappy. They are extremely upset. The mood is very volatile. They see all around them the great poverty and great deprivation that are accompanying *glasnost*. In other words *perestroika*, the other part of the equation, is simply not working and that country is on the brink of social upheaval day by day.

For example, the very people whom I hope *perestroika* will benefit in the long run, ordinary working Soviet men and women, are those who are most opposed to *perestroika* because to date *perestroika* has brought nothing but deprivation and hardship. The food stores are empty. There is little or no fuel available in many of the great cities of the Soviet Union.

It is not for us to condemn the Soviet Union or to condemn Mr. Gorbachev for what has happened. One cannot go from darkness into light overnight. One cannot go from an authoritarian, highly centralized economy to a free society or a free economy overnight, without these attendant, deeply rooted problems.

The point I am getting at—and this relates to the CSCE—is that I am very fearful that before the Soviet Union can fully adjust itself to a market economy and a liberal, democratic, political regime, the country itself will come apart, as it is doing now.

The old Soviet empire is in a shambles. The old Soviet empire, effectively speaking, no longer exists except for the military and except for what is left of the centralized government in Moscow. However, the Russian Federated Republic, the Ukraine, the Baltic States, and the southern Asiatic republics by and large are bent on one course. One can understand why and sympathize with them. They want independence.

I flew into Tashkent in July. I went to a dinner that evening, hosted by the President of the Supreme Soviet. The very first thing he said after he welcomed us was: "I want you people to know that our first goal is independence and our second goal is to seek membership in the European Community". Talk about leaping over years, in fact one might even say a decade, all in a matter of a few words. That was his intention. Those were his opening remarks. Having heard that firsthand, one can understand and appreciate that there are going to be very serious problems, unless somehow they all stumble through day by day and eventually end up where they want to go, without any explosiveness and without any kind of civil war.

However, history teaches us that that part of the world is extremely volatile and has resorted more often, in fact one might say exclusively, in moments of crises, to arms and armed rebellion rather than through a democratic process that has been non-existent in the past. It is pretty difficult at this point to assume for a moment that the democratic process is going to prevail. We all hope it will.

In that context, then, it is extremely important that the CSCE begin to assume functions that will enable it to contribute to the maintenance of peace and security not only in central Europe, which is where traditionally, certainly for the last 40 years, we have directed our thought, our energy and our military deployments, but in eastern European and in the Soviet Union. That is a very deep and thick shadow that is casting itself across European security and stability today. If the balloon goes up in the Soviet Union, if the military should feel that it has to seize power in order to establish security and stability, or if the arch-conservatives within the Communist Party decide to seize power and get rid of Gorbachev, then they have only one course of action. They cannot go forward with Liberal reform. They have to go into a period of political retrenchment. They have to re-establish the old order. They have to establish authoritarianism once again. That of course will present very serious problems with respect to stability in eastern and western Europe.

I know my brief time is up. I congratulate the government for bringing forward this motion today. I look forward to Canada's continued participation in the growth of the CSCE in Europe.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I am pleased to have the opportunity to discuss the over-all CSCE process, a process in which I know we all are very interested, a process to which we all are very dedicated and a process of which we all are very supportive.

When we pause to reflect on security and co-operation in Europe, there are naturally a number of various approaches that one could discuss.

What I would like to emphasize, however, is the importance of the political approach and the entrenchment of strong pan-European and trans-Atlantic political ties.

Those who know of my involvement with the North Atlantic Assembly will already have guessed I will recommend that organization for greatly increased participation in the Conference on Security and Co-operation in Europe, known as the CSCE.

The North Atlantic Assembly is the political wing of the North Atlantic Treaty Organization. It has as its members parliamentarians from 16 NATO countries. NATO, unlike the Warsaw Pact, was formed not only as a defensive military pact but also as a political organization. Canada, I might add, is very active and our Canadian delegates are very highly respected by our NATO colleagues when we attend these various meetings.

What we have traditionally referred to as the Old World in the past has been transformed now into a new world. The Europeans are building an integrated economic and political structure that was unimaginable just a decade ago. The concepts of Europe 1992, a common currency under a European central bank, the opening of borders, and more closely aligned foreign policy constitute hard evidence that the days of chauvinistic and often bloody rivalry in western Europe have passed.

Europe is already wealthy, and closer economic co-operation will increase that wealth. As a nation dependent on trade for one-third of its Gross National Product, Canada cannot ignore the huge and prosperous European market, a market of 320 million people in the European Community alone.

At the same time, the communities of western Europe are faced with a spectre of economic chaos in the east, the prospect of massive movements of economic refugees and migrants, and the possibility that ethnic rivalries or economic collapse could lead to conflict.

It is evident that the end of the cold war has not brought a new era of peace and stability into Europe but, rather, it has created great opportunities and great risks for Europeans, their cousins, their friends, and their allies.

For the millions of Canadians who have roots, family members or friends in western and eastern Europe, the ties are very close. They want desperately to see the whole of Europe at peace, unified and economically strong. We all do.

However, rebuilding or, rather, reinventing the strangled political institutions and economies of eastern Europe will be an enormous but essential task if the potential for conflict is to be curtailed.

I know other members of this House and in the other place have taken a very active interest in the CSCE over the years and in recent months. They have been discussing and promoting an expanded role for the CSCE and for parliamentarians within that CSCE process.

In particular, I commend the hon. member for Labrador, the hon. member for Brant, and Senator Duff Roblin, all of whom have played a key role and have been dedicated along these lines.

I think there has been a consensus for some time that parliamentarians must expand their contacts with our new colleagues from eastern Europe and the Soviet Union. We must come together to share our knowledge, experience and impressions of the promise and dangers inherent in the changes that are transforming Europe.

• (1230)

Within the North Atlantic Assembly, Canadian and other NATO parliamentarians have been keeping a close watch on the evolving security situation in Europe and maintaining regular contact with representatives of the new democracies in Europe, who are as concerned as we are that co-operation and collaboration be institutionalized, that it be effective and forward-looking and that Canadians and Americans be as actively involved as possible.

For Canada, the CSCE process and the role it will play in developing new methods of confidence-building and co-operation between former adversaries are very crucial.

With an effective parliamentary assembly, Europeans and North Americans will be able to share their ideas and expertise on military issues, on arms control issues, on economic and technical co-operation, on the environment, human rights, the development of political pluralism, and in fact, the whole range of issues that can divide or bring together peoples or countries.

I would also like to express the hope that all members of this House will continue to look for creative and effective ways to continue to make Canadian viewpoints and concerns known to our European and American colleagues.

If we fail in this endeavour, we risk losing influence and valuable friends. We also risk missing an opportunity to help shape a safer and more peaceful world.

Canada is renowned for its role as an international peacekeeper. With this in mind, we can help perform the tasks of mediator in the European community.

The CSCE can, in turn, play a pivotal role in securing political, economic and environmental confidence. We must all strive toward this worthy end. I know all members of this House will want to join.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I am pleased to rise to speak on this motion. It is certainly broad, but it encompasses many things that are of great issue in international affairs today.

I would like to compliment the Secretary of State for External Affairs for putting this on the Order Paper for discussion in this House. International affairs are not much different than one's own domestic affairs or indeed, one's own family affairs. Those members of the family who talk together and discuss matters tend to get along very well. The more we talk about issues in our own country on a co-operative basis, the better we get along. It becomes very important in international affairs where many crucial decisions have to be made that nations talk to each other on a family basis as well.

That has taken place over the many years since the founding of the North Atlantic Treaty Organization. There have been over 40 years of peace in the world. Sometimes there was the cold war, with the Warsaw Pact in eastern Europe. Over those years, there was very little conversation between the two sides. As long as that situation exists, there is not going to be much of a breakthrough.

The Conference on Security and Co-operation was held in Helsinki in 1975. It was a great breakthrough in international affairs and set the tone for the years to come. To a certain degree, it started a conversation which was absolutely necessary and one that was not taking place as a result of the cold war attitudes between the east and west military blocs. I want to point out that NATO is not just a military bloc. That is the feeling that many Canadians have had over the years.

Lester B. Pearson, who spent all his life in the diplomatic field—I do not know what he was like as a diplomat on the baseball field in his earlier days, but certainly throughout his years in the Public Service, whether as a civil servant or as an elected public servant who served in this House—had a major hand in the formation of that North Atlantic Treaty Organization. He built into it the ability for NATO to discuss economic issues among those 16 nations that eventually ended up as members. There were fewer of course to begin with, but others joined along the way over the 40 years of its history.

Economic issues could be discussed. Social issues could be discussed even down to the levels of unemployment which, of course, we realize is a great source of unrest within nations and among nations.

With social affairs, there is the mixing of individuals and the exchange of knowledge of a scientific and technical nature. I would like to point out that while we think that is important in this modern day, during the Dark Ages of world history, the only people who really communicated with each other were the scientists at the scientific and technological level.

There must be bridges built. The Conference on Security and Co-operation in Europe must be enlarged. Yes, NATO will be more flexible, and must be more flexible. It must lend itself to the co-operative field of work, supplementing and working with, and indeed to some degree, becoming a real part of the CSCE.

Canada and the United States must be part of any new organization that comes out of the present Conference on Security and Co-operation in Europe. We cannot just sit in North America as the fifth wheel on the wagon. Canada has been a great diplomat among the nations of the world over the years, and we have a role to play. We cannot hesitate from doing this for one minute.

Among the things that we must project, of course, which is most prominent among the CSCE, are the confidence building measures, the verification ideas that came out of any arms control agreements. We must make sure that both sides are, in fact, living up to the conditions which they signed for disarmament.

The Conference on Conventional Arms went on for years in Vienna with no move, no success. Of course, conventional armaments in Europe were just as great a problem as the nuclear problem itself.

They never really came to an agreement because there was no political will to do it. Again, Mr. Speaker, you must have that bridging of the gap and co-operation among nations.

When the Warsaw Pact started collapsing because of internal, economic and social conditions and because there was a desire among those people to have their freedom, there was the immediate political will at the Vienna Conference to have a downsizing of conventional arms in Europe.

All these agreements on the downsizing of conventional and nuclear arms must be an ongoing process. There must be additional meetings and talks to break down and get rid of all barriers so that we have co-operation and tranquillity in the world.

This can only be done if we have an effective forum in which to do it. We in this party certainly support a revamped CSCE. We support the fact that NATO will change. It will become more flexible and its attitude will change from supporting the arms against arms movement in Europe to getting rid of all arms so that there is no major threat to the peace and safety of mankind.

I think that over the years it will be proven that the NATO alliance was one of the most successful alliances in the world, when it came to holding off aggression between east and west long enough for the Warsaw Pact to collapse and fall apart. It was almost like waiting them out, for the day to come when the Warsaw Pact was no longer willing, able or had the desire to continue with

the same old system that had for years been denying people their freedom and, indeed, their human rights. This is where the Conference on Security and Co–operation in Europe has really shone, in fighting the battle for human rights throughout its jurisdiction. As time goes on, it will become very necessary to have a worth–while organization. We are now talking in terms of the Conference on Security and Co–operation in Europe forming an assembly where we will have delegations from the various member countries discussing the issues that are very prominent before them that are important and must be tackled.

• (1240)

I want to say from personal experience what a great thing it is to have parliamentarians from different countries getting together to discuss issues because they become the bridge. They go home and inform their governments in their individual countries what discussions went on. I have had many years of experience in the North Atlantic Assembly where we had delegations of parliamentarians from all members of that organization. I was vice–president of that organization for two years.

In closing, I want to say that the most solid foundation upon which any international organization can be built to last through the years is the fact that nations must be willing to sit down as a family and talk business, mean what they say, do what they decide and have the political will to solve the problems of the day.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by proclaiming our full support for the Conference on Security and Co–operation in Europe. Members of this House of Commons can unite in supporting the Paris summit of heads of states and governments involved in the CSCE. My personal hope is that the Paris summit will breathe new life into the CSCE process and that this renewal will be the base for security and co–operation across Europe, North America and the north Atlantic over the next decade and beyond into the next century.

The motion supporting the CSCE contains an important and even vital parliamentary dimension. It is this dimension that I would like to explore in discussing the motion today. I believe that the involvement of parliamentarians as an adjunct to the CSCE is vital to its success in maintaining democracy into the next decade and for the future.

Let me begin by explaining the involvement of parliamentarians with international organizations. I should start by saying that when we look back over the almost 50 years since the end of World War II, we realize that the much–maligned international organizations from the United Nations, but including many other pan–European, Asian, Pacific organizations, have in fact succeeded in maintaining world peace over those very troubled years, through the cold war and in other times.

While the international organizations, and particularly the United Nations, at times had their credibility questioned, the fact of the matter is there has been peace in our time, so we can look at it from the perspective of 1990 and say the system has worked, even though we might have doubted its workings at times in the past.

The same can be said of the parliamentary organizations that are adjuncts to many international organizations. I have attended many of them, and at times you wonder whether you are making any progress, whether you are accomplishing anything of a positive nature. When you realize that peace has been maintained and you see the dramatic changes across Europe and throughout the world, you realize that the spirit is there among the people represented by their parliamentarians and brought to international organizations. We now must make sure that we continue to support those international organizations so that they can continue to fulfil their role in maintaining peace and security throughout the world.

Let me talk for a moment, Mr. Speaker, about some of the parliamentary organizations as they relate to our country and to North America, but especially to our relationship with the European Community.

There are in existence a number of organizations. Of course, everybody is familiar with the European Community and the European Parliament which plays a vital role among the 12 nations that are involved in that particular organization. But on a more general basis, as has already been mentioned, there is the Council of Europe and the Parliamentary Assembly connected with the Council of Europe. That is a much more co–operative organization, based on mutual understanding and not based upon any legislated text. It is that kind of organization with which we in Canada can participate because we are not held to any specific law–making functions or binding decisions. We maintain our sover-

eignty and within the spirit of the CSCE is the maintenance of national sovereignty throughout the process.

As I have said, the Parliamentary Assembly of the Council of Europe involves a broader group of European Nations. The question becomes, how do we create a parliamentary assembly that can join in a more direct way with CSCE and participate in that broader process, especially in the light of the developing democracies and the emergence of parliaments and parliamentarians from those developing democracies in eastern Europe.

This brings me specifically to the words in the text of the motion before us because that motion encourages the establishment of a parliamentary assembly as an adjunct to the CSCE.

I had occasion very recently to attend the Interparliamentary Union meeting in Uruguay. This very matter was discussed among the European group to which Canada and the United States of America are also parties because we follow the tradition of the CSCE in making that Pan-European connection with North America. Some of the European parliamentarians felt that there should be an expansion of the Parliamentary Assembly and of the Council of Europe to include the new democracies and make it a Pan-European organization. That would not really be in the interests of Canada and Canadian parliamentarians because we would not be in any way directly involved in that kind of organization.

The CSCE from its very origin has involved Canada and the United States of America and has taken a broader outlook on the coverage of the organization. We are already very much involved in this organization, so I think the development of a parliamentary assembly as an adjunct to the CSCE is very much in Canadian interests. It ought to be encouraged and fostered by Canadian parliamentarians.

There is already in process a number of elements that will lead to the consideration of parliamentary assemblies in connection with the developing democracies in Europe and their linkage with their established democracies already involved in the European Community and the Council of Europe.

In July, 1991 in Vienna, there will be the Seventh Interparliamentary Conference on European Co-operation and Security. This is a conference that emanates from the member groups within the interparliamentary union which is the broad based international organization for parliaments. As part of its deliberations, this conference will consider the very matter of a new European Assembly of Parliaments with a European base. It will also consider if this Assembly of Parliaments should be extended to North America, particularly to Canada and the United States of America. It will be essential that Canada participates in that conference and makes the case, which we have already made through our representatives of the House of Commons at the Parliamentary Assembly of the Council of Europe, that Canada has a place and a role, and ought to be included in the parliamentary assembly.

• (1250)

Why do we participate in these kinds of organizations? It is simply to foster the thought and considerations that are very much a part of the CSCE and very much a part of the Helsinki final act which is the basis of the CSCE. We believe, as the member nations in the CSCE process believe, that sovereign equality has to be respected; that territorial boundaries have to be inviolable; that there can be no intervention in the internal affairs of other states; that we must have peaceful settlement of international disputes; and, above all, that there must be respect for human rights in all nations of the world.

These are the principles that bind together the nations that participate in the CSCE process. These are the principles that bind democratic parliamentarians together, and these are the principles that we want to foster, not in this country, but around the world. As every nation of the world observes these principles, we can be assured that that will be the basis for peace and security.

I do not for one minute believe that we can abandon our obligations to NATO and the North Atlantic Assembly. I think that those activities should continue and be enhanced. We have demonstrated through the peace efforts of the past half century that deterrents are necessary. There will always be somebody—and we see this in the Middle East today— who will take advantage of those who cannot defend themselves in a physical way. It is true of people. It is true of nations. We will not, and we cannot, abandon that aspect in our search for peace and security.

What we can do, at the same time and on another track, is to create better relations with all nations, encourage and foster the establishment of democratic principles, and at the same time bring about a total observance of these principles that will assure peace and security in the future.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, we, of course, support the thrust of this motion in that we support the CSCE as the basis of a new security system for Europe. Having said that, we believe that more detail and more work is necessary. We support the principle of having the CSCE act as the basis of a new security system in Europe because the old security systems are in the process of coming apart, and for good reason.

The two traditional organizations for security in Europe, NATO and the Warsaw Pact, were both confrontational and both set up in the late forties to defend one against the other. But, with *détente* in Europe, with the growing number of disarmament treaties, and even with the recent announcement that it is likely the Warsaw Pact will dissolve next year, we must look to a new type of security system for Europe. The logical place to start is with the Conference on Security and Co–operation for Europe, known as the CSCE.

It is the logical place to look because it not only includes the European countries from the east and the west, the Warsaw Pact countries and NATO, but it also includes Canada and the United States. These countries, we believe, are essential if there is to be economic and political stability in Europe and if there is going to be a real security for Europe.

I referred to the movement to *détente* in Europe. Of course it is not complete, but there has already been the signing a few years ago of the intermediate nuclear forces treaty. In October of this year a draft treaty for the reduction of conventional forces in Europe was agreed to. We are well advanced on a START agreement. The strategic arms limitation treaty is well advanced. We have had the open skies conference here to deal with security–building measures and other measures to disarm. Of course another element that has entered into this which is very significant is the unification of Germany and a united Germany which will be a principal force in Europe.

With all this happening, one might ask why a new security system is necessary at all. On the one hand, some of those eastern European countries are moving to conservative or liberal type governments, and on the other hand some are moving to reform type of communism or a reform type of socialism involving a lot more democracy than was present in the past. Despite the changes at the top, the bureaucracies in these countries, especially the eastern European countries, still remain entrenched with the old communists of the past so there is still a lot of work to be done.

That having been said, Mr. Speaker, there are risks of conflict in the new Europe that is developing. There is the risk of conflict from increased nationalism. There is the possibility of breakdown of central authorities, whether in Yugoslavia, the Soviet Union, or elsewhere. There is the emergence of minority groups within various countries which pose certain threats. There are old border questions that might arise. There is a whole threat that comes about as a result of economic disparity in Europe and the potential massive flow of economic and political refugees moving across borders from east to west and causing, perhaps, dislocation.

There is also the threat from outside Europe of small border attacks but also international terrorism. Through the CSCE, Europe, as a whole, may wish to set up co–operative measures to protect itself against such terrorist attacks. There are also the threats that come from environmental questions, such as the flow of waters and air. There was the whole business of Chernobyl a few years ago. How does the new Europe deal with this?

These are all questions that could be dealt with in a newly structured CSCE.

When I say we would support the use of the CSCE as the basis of a new security system in Europe, we suggest as well that it needs restructuring with perhaps more permanent institutional structures and more institutional forms, and it must be given a new and a clear mandate.

My time is coming to an end, but let me say that there are other organizations in Europe as well that might be looked at. There are the European Community, the Council of Europe, the European Parliament, and the Western European Union. None of those has the same potential as the CSCE. The CSCE is more broadly based and does include the North American countries, Canada and the United States.

For this reason, Mr. Speaker, we encourage our government to go to the conference in Europe on November 19 and put forward proposals which will assist in the development of the CSCE as a more effective and new security institution for all of Europe to deal with the threats I referred to and to take the place in due course of both NATO and the Warsaw Pact.

• (1300)

Mr. John Brewin (Victoria): Mr. Speaker, I thank my colleagues in the House for their indulgence.

The Acting Speaker (Mr. Paproski): Take the full 20 minutes.

Mr. Brewin: Mr. Speaker, I understand the qualification that you are not saying I have to, because we are now beginning to work through lunch period. On the other hand, I am sure you will find even a full 20 minutes for me is more than fascinating.

On behalf of our party, I would like to confirm our support for this important resolution and motion before the House. The motion calls for the support of the House for the CSCE, the Conference on Security and Cooperation in Europe, as a key Pan-European and trans-Atlantic forum within which a new co-operative security framework can be built. This can be done so through the maintenance and development of its comprehensive approach to security, political, economic, environmental and human dimension issues, and strengthened by the development of the structure of the CSCE process, including the creation of a CSCE parliamentary assembly.

The CSCE grew out of the Helsinki Accord and was a process of discussion involving not just the members of NATO or the Warsaw Pact, but also other countries in Europe. It began its life when the cold war was at one of its low spots and when tension between the superpowers was at a height. It continued through the Reagan years. The early Reagan years were also years in which the Americans were building up arms and rattling their sabres and missiles. The prospect for peace seemed dim.

Now, CSCE begins to reach into its full power at a time of momentous changes in Europe, changes that are brought about by the disintegration of the Warsaw Pact and the whole communist regime in eastern Europe and the arrangements that had prevailed since the end of the Second World War. Those arrangements, depending a bit on one's point of view of history, could be said to have been in response to a perceived threat from the west or, as evidence of the threatening intentions, particularly of the Soviet Union, against the west. Whichever view of history one maintains, both in my view have something to be said for them.

Walter Lippmann, for example, a noted American commentator, has argued very forcefully for the proposition that the Soviet Union never had adventurous intentions toward western Europe and that in fact, NATO was developed in large part to provide a vehicle for the military industrial establishment, particularly in the United States, as an outlet for its energies and resources. Whichever view is taken, the fact remains that today that whole structure is now falling apart. No longer can it be said that NATO has any military purposes because it no longer faces any military threat from the Warsaw Pact countries, including the Soviet Union.

One of the key countries in the Warsaw Pact, East Germany, is now no longer. It has been absorbed within West Germany as part of, in effect, a new country. Other countries such as Czechoslovakia, Hungary, and Poland are, for all practical purposes, allies. They certainly have no forces aimed in our direction. The Warsaw Pact, it may be said, is under liquidation. The Soviet Union is facing internal turmoil, terrible economic problems and clearly has no capacity or will to launch any kind of invasion against the west. The prospect of a war in Europe that was the fundamental basis for the spending of billions of dollars by the western economies in maintaining troops in Europe is now gone. The threat is now gone. This is a view that is shared by virtually everyone from all political persuasions.

Now we are left with the question of where next in Europe, and particularly what will Canada's relationship be with Europe? There are perhaps four options. The options can be considered under four headings, to be slightly more precise. One option is the CSCE. There is a very real prospect, as has been noted already in this debate and has been referred to in the resolution.

The CSCE itself will become the framework for organizing security in Europe, for dealing in a military way with whatever remaining threats are perceived to the security of Europe.

The great advantage of the CSCE, as has already been stated, is that it includes countries on both sides of the now defunct Iron Curtain. It also includes the neutral countries such as Sweden and Switzerland, and includes Canada and the United States. So it has a trans-Atlantic component as well as strictly a European component.

That means that all of the countries on both sides of the Atlantic that conceivably have a particular interest in issues of regional security in Europe would have a place at the table. It may well be that the CSCE then becomes the forum for sorting out what will be the future arrangements, and arguably may establish within its own system a sum system of collective security in Europe.

Another option is the Council of Europe. Another option is NATO. Another option may be something that nobody has yet put on the table. We have at least four headings under which we can look at the issues of the future security arrangements in Europe. The CSCE, of course, deals with many other issues in Europe, and that is referred to in the resolution.

Let me focus my remarks in my capacity as defence critic for our party on the issues of military security, and how they may be organized and dealt with. One question we have to ask is what is Canada's interest in these arrangements? A subsidiary question to that is what will be the role of the United States in a future Europe?

I think Canada's interests are clearly, certainly in the minds of government supporters and of the Liberals, entirely linked with that of the United States. There seems to be a strong position still emanating from government circles and from the Liberal Party that NATO is to be taken for granted as continuing to have a role and that every effort must be made to maintain NATO's continued existence even if it means finding roles for NATO which it does not presently have.

Furthermore, it is in our interest to encourage the Americans to maintain troops in Europe and concomitantly that we also therefore must maintain troops in Europe, must maintain an air force that can support those troops, must maintain a navy that also is in support of the troops that we have in Europe.

Yet, the military role for American and Canadian troops is now no longer there. It has disappeared. The front lines cannot even be found. One of the officers in the CF-18 squadron there said to the defence committee that what was the town in Czechoslovakia that was his target for exercise purposes and in the event of war, is a town that he now drives his family to on a Sunday afternoon outing.

The target has gone. There is no military requirement for Canadian and American troops in Europe. The only remaining argument is a political one, that is that somehow American and Canadian troops are needed to counter balance some development in Germany. There is an argument sometimes raised that it is essential as part of the nuclear deterrent strategy that if the Americans leave and whoever is left in the Soviet Union threatens a nuclear assault on western Europe, western Europe could no longer in those circumstances count on the American use of deterrent.

• (1310)

Let me deal with these arguments one by one. The real truth of the matter is that there are those in the United States, and reflected and echoed to some extent in Europe, who want the Americans to stay in Europe to exercise American influence in Europe. That is a view which we must dissociate ourselves with. It is not in Canada's interest that the Americans still remain in Europe. It is in Canada's interest that the Americans withdraw their troops from Europe in part so that there is no longer any argument that we should be maintaining troops in Europe.

We spend $1.2 billion a year on maintaining a contingent in Europe. Everyone in this House can consider other more valuable and useful expenditures. Some would argue simply reducing the deficit. Others would call for a child care program, for restoring the cuts in social programs in this country, for finally dealing with the crisis on native reserves and among native people in Canada, for dealing with poverty in the Third World. We are spending $1.2 billion directly to maintain this contingent in Europe which no longer has any military significance.

I suggest in the circumstances that is frankly immoral. When you add to that the costs involved of maintaining in Canada the support for the troops in Europe, as much as 40 to 50 per cent of our defence budget goes to maintain this so-called commitment to NATO. It is in Canada's interests, I submit, that we end Canadian and American military participation in Europe and that we leave to Europeans the responsibility of specific security concerns and dealing with the remaining security concerns in Europe.

We should participate in the discussions as to the framework and we should continue to have a place at the table in view of our long historic relationship with Europe, but we do not need NATO to do that. There are other forums under which that input can be had.

Let me deal if I can with the nuclear deterrent issue. It is argued, as I suggested, that somehow if American troops are left in Europe that will be some form of protection for Europe in retaining the efficacy of the American nuclear deterrent.

Let me suggest that the time has come for us to squarely address the immorality and impracticality of the whole nuclear deterrent strategy. Impracticality. The Soviet Union and any other countries that are equipped to deliver some form of nuclear assault on Europe or anywhere else in the world have already discovered more than once that that is an idle threat. It is not a threat which can be used. It is an expensive threat. It is a danger to the environment of their own country. It is a threat which will in fact not be exercised.

Even if that argument is not bought, we are left with the issue of the remaining American deterrent. Clearly, if whatever is left in the Soviet Union, when it all shakes down, there will be no will in the Soviet Union to deploy any nuclear weapons against western Europe or Europe as a whole. The Soviet Union is part of Europe.

When the CSIS committee was in Washington earlier this year, we met with senior CIA officials and some ex-officials from the CIA who had kept themselves well informed of events. Their view was that the Soviet Union would become part of Europe economically and politically within the next 10 years. That was March. Today that 10-year period seems too long.

It seems to be very clear that with economic investment in Europe, with the political changes in Europe, with the investment in the Soviet Union, with the political changes in the Soviet Union, with the co-operation that has been shown now as part of the response to the gulf crisis by the Soviet Union, France, the United States and Great Britain, that the Soviet Union is now responding in precisely the same way to these international events and with the same interests. They take different positions on specific aspects, but it is entirely co-ordinated and the interests are viewed the same. There is even no argument left for maintaining the nuclear deterrent.

This leaves us, then, with how we are going to get to where we want to go in Europe. The CSCE provides a framework for those discussions, and this motion encourages that direction. It is important that the government go a step further than it has been prepared to go so far and say within the councils of the CSCE that Canada views as one objective of the discussions now under way and continuing that NATO be wound down. The Warsaw Pact has been wound down. The time has come to develop as a matter of policy that NATO should be wound down.

Canada should serve notice that it will no longer participate in NATO, that NATO is obsolete and has no place in international and regional discussions, and that Canada will withdraw its troops from Europe because we have better things to do with the money that is being spent in maintaining the contingent in Europe. This is an important policy and one which, if the government does not accept it today, it will be obliged to accept tomorrow. It would be helpful if the government would move more quickly rather than wait until events overtake it again.

It would be helpful if Canada would show some leadership in continuing the momentum toward a world that is a safer place, a world in which disarmament has finally come to pass, and a world that no longer relies on

huge armies for security but understands that security is a matter of fundamental acceptance that we are a family and that our security depends upon our family's security. We must begin to understand that we can no longer rely, at least in European terms, on the military for providing our security. It is in Canada's interest to further this process, and I would urge the House to endorse the motion.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I am pleased to have this opportunity to speak on the upcoming summit in Paris on the Conference on Security and Co-operation in Europe.

In 1975, when the Conference on Security and Co-operation in Europe, CSCE, came into agreement on its first set of principles and undertakings, we were in the midst of an era dominated by fear and filled with tension. The CSCE was born out of the desire to move beyond fear and tension, to agree on common principles and rights, and to begin the process of moving toward a new Europe.

Now, 15 years later, we emerge from the year of revolution and begin upon an era of reconstruction. Change was so sudden and sweeping it has become easy to get caught up in the celebration of change rather than to stop and reflect upon the enormity of the change.

I think Vaclav Havel, President of the Czechoslovak Socialist Republic, best described the enormous changes in Europe when he stated:

> Obviously they had no idea what they were setting in motion or how rapidly events would unfold. We knew a lot about the enormous number of growing problems that slumbered beneath the honeyed, unchanging mask of socialism. But I do not think that any of us knew how little it would take for those problems to manifest themselves in all their enormity and for the longing of these nations to emerge with all their strength. The mask fell away so rapidly that, in the flood of work, we have literally no time to be astonished.

A primary catalyst of the changes of which Mr. Havel speaks was the CSCE process that achieved and enlarged commitments to rights by nations that previously had not acknowledged them, then provided constant and inescapable pressure to respect those commitments, and finally created a habit and example of nations working together to advance basic common values.

A new Europe has emerged and, in step with this new world, the CSCE must expand upon its initial principles to ensure the new order strengthens.

• (1320)

Canada's commitment to Europe is both pragmatic and profound. We are tied to Europe in spirit and in substance. NATO, the CSCE, and the European Community form three essential pillars of our vision of the new Europe.

We in Canada applaud the new Europe and see the role of the CSCE as helping to build a Europe which is engaged in the wide world and not apart from it. The new Europe must be an example for others, an example of common purpose which will then allow the world to turn seriously to other pressing problems this planet is facing.

In order to complement the new Europe, a new CSCE must emerge. The CSCE must be a flexible organization capable of growth and adaptation, and a structure which change strengthens and does not weaken.

The CSCE summit in Paris on November 19, 1990 will provide an opportunity to build upon the shared ideals, values, interests, and aspirations of the new Europe. The CSCE process must be institutionalized, regularized, and politicized. The CSCE must be responsive to the changing needs of its membership, change which was no more evident than during this past year of European revolution.

There are five specific areas which are vital parts of this new, adaptive CSCE.

The first is the requirement for the CSCE structure to have a strong element of political direction and leadership. The peoples of our countries must see their leaders controlling and guiding the CSCE process if that process is to retain and build legitimacy.

The second is to give the CSCE a truly democratic and representative face. The principles of the CSCE are principles of democracy. Canada considers it important that the Paris summit move toward an Assembly of Europe with appropriate parliamentary representation from all states, which would gather to discuss and exchange views on those issues that fall under the CSCE mandate.

Thirdis the formation of a CSCE Centre for the Prevention and Resolution of Conflict. Such a multilateral centre can play a crucial role in assisting verification

and data exchange arising from the negotiations on confidence and security building measures. This centre can be used as a mechanism for the prevention and resolution of conflict, an enhanced instrument related to fact finding, conciliation, mediation, and the arbitration of conflicts.

Fourth, within the new CSCE is the question of force reduction talks. The summit in Paris requires a Conventional Forces in Europe agreement or CFE. This agreement, already several years in the making, once signed will dramatically reduce conventional arms. A new Europe cannot be constructed when the symptoms of the old are allowed to persist and we cannot agree on the means to remove those symptoms.

Fifth, the trans-Atlantic and pan-European role of the CSCE must be reinforced: a Europe which bridges the Atlantic, a Europe which is a concept rather than just a continent, a Europe which encompasses the outward reaching spirit in which the CSCE was founded.

Summarized, the CSCE provides for the essential element of an open Europe. It involves both the Soviet Union and North America. The new Europe must be a strong Europe, a hemispheric fabric of common achievement, common principles, and shared engagement. The CSCE can be an instrument of this wider Europe, a Europe whose very breadth will enhance prosperity and strengthen our peace.

As the nature of European security grows beyond military balances to political stability and economic prosperity, CSCE must in turn expand on its initial mandate so that the new Europe can reach its full potential. We must contribute constructively to the growth of the new Europe and CSCE and in turn we will contribute to the growth of a new world order. I believe the five initiatives outlined earlier will do just that.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, in view of the upcoming summit of heads of state and heads of government of the participating parties in the Conference on Security and Co-operation in Europe to be held in Paris, France on November 19, 1990, I am delighted to be able to stand here this afternoon and speak on this topic.

The face of Europe has been irreversibly changed. In the last five years there has been a monumental transformation. Mikhail Gorbachev's *perestroika* and *glasnost* have given Soviets the confidence to demand still further changes.

The status of eastern Europe has undergone an even more dramatic and momentous metamorphosis in the last year. It is difficult to overstate the effect of this change not only on Europe but the entire international milieu.

As the world order has been driven by east-west conflict for the last 40 years, this order will necessarily change as a result. Canada, as a stakeholder, must be aware of the nature and extent of the changes and be prepared at least to react and at best anticipate accordingly.

The Conference on Security and Co-operation in Europe gives Canada an effective forum to participate in the forging of a new, sustainable, and peaceful Europe.

Let me first speak to the enormity of changes that have taken place in Europe, changes that have resulted in the CSCE process taking on added historical significance: the ratification of the reunification of Germany and, by extension, the symbolic reunification of Europe and virtual declaration that the cold war is officially over. We have all marvelled at the speed and extent of change. The dominance of totalitarian communist governments in eastern Europe has been virtually wiped out.

The pace, severity, and consequence of the upheavals have varied, but the theme has been the same throughout most of eastern Europe: democratization and a basic disavowal of Marxism-Leninism as the controlling principle of economics and government. The role of the world's newest Nobel Peace Prize winner, Mikhail Gorbachev, cannot be overlooked as impetus for these revolutionary changes.

New policies and several seminal speeches that he gave, starting in 1985, made it increasingly clear that there had been a fundamental change in philosophy at the very top in the Kremlin.

One long-time analyst said that Mr. Gorbachev had lit a burning fuse that would set off a rapid series of political explosions throughout eastern Europe.

The Soviet reforms meant that, first, citizens in the other countries would expect or seek similar changes because of the historical Soviet leadership in policy in the East Bloc and, second, that the U.S.S.R. no longer had the legitimacy to stop reforms from occurring outside its borders.

The Soviets, by not doing anything to stop the dramatic democratic reforms in eastern Europe, had tacitly given their endorsement.

The beginning of that process was the legalization and subsequent shift of political power to Solidarity in Poland. This was the demonstration that the rest of eastern Europeans had been waiting for since the end of the Second World War.

Since then we have watched with interest events in Czechoslovakia, Romania, Hungary, and of course the reunification of Germany.

These changes are fundamental and irreversible. The tide has been irreversibly altered. The genies have been let out of the bottles all over the region.

This conference comes at the perfect time in history for a serious pan-European and trans-Atlantic dialogue. The Conference on Security and Co-operation in Europe is a structure in such a way that it will act as a framework for future joint discussion and action.

I whole-heartedly support efforts to create an effective CSCE parliamentary assembly. The CSCE itself encompasses conferences and agreements between 33 European states, plus Canada and the United States.

The Helsinki Final Act, signed in 1975, provides the framework for a fundamental political commitment. The act incorporates three distinct sections or baskets. The first basket is of particular interest to me, as the human rights critic of the Official Opposition. It includes principles designed to guide relations between participating states, as well as security questions including military confidence building. Within this framework, the first basket deals with the whole realm of human rights issues.

It is essential to ensure in the process that is to take place in Paris later this month that respect for fundamental human rights and dignity is at the base of discussions.

• (1330)

More recently, the Vienna Concluding Document took an important step in elaborating extensive normative commitments in all areas covered by the CSCE process, particularly in human rights. It established a four stage mechanism for monitoring and encouraging compliance with human rights commitments, and a three part conference on the human dimension within Europe. Furthermore, it called meetings on, among other things, peaceful settlement of disputes and culture.

Canada is an important participant, taking part in all aspects of the process since its inception. We must remain committed to the goals stated: to enhance security and confidence, to break down barriers wherever they exist and to help facilitate the freer flow of information, ideas and people throughout Europe.

This conference is an example of the type of role Canada can play and should continue to play in the international community.

Again, I am most pleased to speak to the subject of this very important conference. I know that all parties on all sides of the House will be endorsing this.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to speak on this particular item. It is a very important item because when we talk about human rights violations, security and peace in the world, one part of the world seems to be forgotten.

There is this little island in the Mediterranean, the island of Cyprus. For those of my colleagues in the House who do not know exactly where the island of Cyprus is—my colleague says she knows, but for the rest of my colleagues—it is located in the eastern part of the Mediterranean just below Turkey.

For many years that island was invaded time after time. If we go back in history about 2,000 years, the island was first settled by the Greeks. This was followed by wave after wave after wave of people invading the island, settling it and leaving some history behind. The Turks owned the island for parts of the 16th, 17th, 18th centuries and then they sold it to the British.

There was an uprising against the British in 1950s. The people of Cyprus wanted to be free. They gained that independence.

Cyprus is divided between the Greek Cypriots who make up about 80 per cent of the population, and Turkish Cypriots who make up 18 to 20 per cent of the population. They were living together in peace until 1963. In Nicosia, Cyprus, violence broke out with the one side wanting to take over the other side.

In 1974, saying they were protecting the Turkish minority, Turkey invaded the island. Since that time, the island has been divided. There is a green line or a wall across the island to separate the Greeks from the Turks.

For almost 26 years, Canadians have been on the island as part of the United Nations forces to help keep the peace. Canada has had 29 of its soldiers killed in that time. It is costing Canadian taxpayers about $30 million a year to have that force on the island.

When we are discussing the motion put forward today by my hon. friend, it is very important that we look at that particular part of the world, for the particular reason that, as the European and North American nations are getting together to discuss peace, that island is part of Europe and yet nobody gets up to speak about it.

We have one country which is involved in Cyprus which wants to be part of the European Economic Community. Turkey wants to join the EEC, and yet, they are saying that they are on that island to protect the Turkish Cypriots from their aggressor. I am asking, Mr. Speaker, who is the aggressor? Certainly not the Greek Cypriots.

Yet this particular part of the world has been forgotten. Why is it forgotten? Is it because of its role within the Middle East? Is it because it is the last foothold of the western nations overlooking all of the Middle East, right up to Pakistan, because, Mr. Speaker, besides Israel, that is the only place the western world has a foothold overlooking its activities in the Moslem world.

In Nicosia there are two embassies built right across the street from each other. They are the United States embassy and the Russian embassy. I had the opportunity to visit there and these are the biggest embassies that these two countries have all over the world. How many citizens of the United States are on the island of Cyprus, 1,000, 2,000, 3,000? Do they need one of their biggest embassies to serve them?

How many Russians are living in Cyprus? I could count the number on the fingers of my hands, and yet these two embassies are right across the street from each other. Why? Is it because of espionage in this day and age, when we talk about detente or when we talk about peace in the world? I wonder why those two countries are spending millions on that small island?

Do the superpowers want that island to remain divided? Do they want the status quo? One wonders, Mr. Speaker, why it is that in the past 25 years no solution has been found for that particular part of the world.

When members of the government go to this conference, they should bring these facts forward. Then all of the European nations can sit and discuss that little island of Cyprus. It is the last part of Europe that still faces some form of aggression and instability.

The walls of Berlin have come down. We have witnessed over the past year and a half how eastern Europe is starting to become more of a democracy. We witnessed in 1989 the Tiananmen Square massacre, how the people stood up and said no more to the regimes of the east.

Yet, Mr. Speaker, we have a beautiful island right in the middle of the Mediterranean with one side saying, "I want to have demilitarization", while the other side is saying, "I am here protecting my people". I wonder who those people are? We have seen successive members of parliament, successive governments of the island try to settle this particular matter.

Mr. Speaker, I know that my time is running out but it is such an important issue. I hope when our leaders go to this conference, they will take this to heart. When our leaders sit there, they will actually discuss the problem of Cyprus because the people of Canada and the people all over the world cannot see this beautiful island divided and invaded by 30,000 soldiers.

The Acting Speaker (Mr. Paproski): In view of the fact that there are no more speakers, shall I suspend the sitting until two o'clock?

There being no further members rising on debate, pursuant to an order made on Wednesday, November 7, the debate is deemed to have adjourned and sitting is suspended until two o'clock.

At 1.40 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

DISABLED PERSONS

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, I am pleased to note that the government's response to the standing committee report on the economic integration of disabled persons was tabled this morning.

It is yet another step taken by the Government of Canada in ensuring that persons with disabilities are full and equal participants in Canadian social and economic life.

The government has illustrated its commitment to this goal through the establishment of the Status of Disabled Persons Secretariat, a $3.2 million yearly provision to the disabled persons participation program, the inauguration of National Access Awareness Week, and the enactment of the first ever National Employment Equity Act which protects persons with disabilities.

We call on communities across Canada to help us continue to meet these objectives by eliminating the barriers to full access for disabled persons.

Join us in pursuing this pre-eminent goal of Canadian citizenship.

* * *

THE LATE HUGH MACLENNAN

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I was deeply saddened, as I know all hon. members were, to learn last evening that Hugh MacLennan had passed away.

Mr. MacLennan, one of Canada's foremost authors, was born in Glace Bay, Nova Scotia, in 1907. He grew up in Halifax and studied at Dalhousie University before attending Oxford and Princeton Universities.

His best remembered works include: *Barometer Rising*, *The Watch That Ends the Night*, *Voices in Time*, and of course, his most famous work, *Two Solitudes*, which showed the author's understanding, appreciation and hopes for his country.

Mr. MacLennan's writing about Canada, its people and its places, brought him both honour and distinction. He received five Governor-General Awards, he was a Companion of the Order of Canada, and he held 18 honorary degrees.

We pay our tributes to his memory today and express our sincere sympathy to those who mourn his untimely passing.

* * *

DISABLED PERSONS

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, it was with consternation and disappointment that I read the government's so-called action plan on disability tabled earlier today. Given the Prime Minister's lofty words of encouragement for disabled Canadians, I expected much more.

The few initiatives taken are not nearly enough. Three and a half million disabled Canadians have waited patiently for a comprehensive plan of action from this government. Piece-meal activity and rhetoric are just more smoke and mirrors. Federal leadership and commitment are needed now, not at some politically convenient date further down the road.

Is the Prime Minister really interested in the well-being and equality of Canadians with a disability? Does the minister responsible for disabled Canadians really care about their full participation in community affairs?

Talk is cheap and that is what we have seen in today's report on disability—talk, talk and more talk. Cheap, cheap, and more cheap.

Mr. Speaker, I very much regret having to say that, and I say it more in sadness than in anger.

* * *

[*Translation*]

THE DISABLED

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, the report tabled this morning by the minister responsible for the Status of the Disabled, the Secretary of State, in response to the committee's report, contains some important measures, including an exhaustive analysis of federal legislation affecting the disabled.

The federal government has shown it is firmly resolved to remove the barriers facing the disabled in various key areas and thus ensure equal participation by all Canadians in our society.

There is also a proposal for establishing a committee of deputy ministers with a mandate to improve co-ordination of federal activities designed for people with a disability. Departments and federally regulated agencies will thus be able to continue the excellent work they have done so far.

Personally, I feel that this legislative review is an important step in our joint effort to promote equality in every respect for Canadians with a disability.

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THE LATE FATHER GÉRARD DION

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, a prominent figure died this week, Father Gérard Dion, a former professor at Laval University in Quebec City. I would like to pay tribute to Father Dion who instigated a review of electoral behaviour and electoral policies in Quebec during the 1950s. At the time he heralded the changes of the Quiet Revolution which started in 1960.

Father Dion was a hard worker, endowed with unusual frankness and courage. His death is a great loss to Quebec society, and the social or political role played by Father Dion proved decisive for Quebec.

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[*English*]

EDUCATION

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, in his speech before Parliament on November 1, 1990, our Prime Minister reaffirmed our government's commitment to educational reform. He called for a new approach to education which respects all Canadians' fundamental rights and sets national standards which will allow our children to keep up with their counterparts abroad.

Education is recognized as a vital contributor to personal, societal and national development. We need a system that works and one attuned to the future demands of the country and the economy. Canadians need a system whose results are beyond question. Our children must be put on equal footing and they must have at the minimum basic literacy and numeracy skills.

All members should join me in applauding the fact that, through the World Declaration on the Survival, Protection and Development of Children, our government is committed to a reduction of illiteracy and the provision of educational opportunities for our children which prepares them for productive employment and life-long learning opportunities.

* * *

SOCIALIST AWARDS OF EXCELLENCE

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to bring to the attention of Canadians the first of many socialist awards of excellence. The nominees are: number one, the member for Esquimalt—Juan de Fuca whose self-righteous indignation on the plight of the underprivileged seems to pale in light of his personal abuse of poor printers; number two, the member for Trinity—Spadina—

Mr. Speaker: I have to remind hon. members that the Order under which we are making statements is very specific. It is not to be used in an attack on an hon. member. I am sure the hon. member would not want to abuse the rule.

* * *

TRANSPORT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, yesterday the Minister of Transport tabled his response to the transport committee report on a substance abuse strategy for the Canadian transport industry.

His policy is wrong and it is not "Made in Canada".

We had hoped that the government, which recently rediscovered a little backbone in its rejection of American attempts to impose U.S. trade laws on Canada, would have found enough courage to tell the United States that Canada will not submit to their "or else" demand that we impose American drug testing laws on Canadians.

A U.S. perception of a risk to American safety when most concerned Canadians, including the minister and the transport committee, have stated repeatedly that "no significant risk" exists in Canada is not an acceptable reason to violate the basic rights and privacy of a quarter million Canadians.

Also, the U.S. is now learning that its testing regime is both extremely costly and unproductive and is turning to alternate strategies like performance testing and increased supervision.

Why adopt a failing strategy? Is it a smoke-screen to cover his failure to deal with the real dangers to transport safety in Canada, such as overworked and inadequate air traffic control and the consequent closure of airport towers across Canada?

New Democrats would support a genuine safety strategy that concentrated on education, counselling and employee assistance programs. Safe performance, not exposure, should be the goal and the test of a sensible program.

Mr. Speaker: The hon. member's time has expired.

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[*Translation*]

NATIONAL UNITY

Mr. Guy Ricard (Laval West): Mr. Speaker, these are sad times in Canada when Quebecers and Canadians are seering their identity in a union that will make us a nation of various ethnic groups. So far, we had acknowledged, accepted and learned to live with our cultural differences, but today we are faced with a kind of confrontation that may lead to the break up of our society.

We must not let ourselves be overcome by hostile feelings, Mr. Speaker. Together we must work towards national reconciliation. We must forget our patriotic struggles. We must live for the future. We must build for the future.

I want to ask all members of this House to work together so that we can all build a country where people will want to live and where there will be a future for our children.

Let us not be self-centred or masochistic, Mr. Speaker. Live and let live, and let us all work together and leave our descendants a properous legacy.

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OFFICIAL LANGUAGES

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the government keeps its commitments to official languages. In addition to tabling its draft regulations for the 1988 Official Languages Act, our government signed on November 3 a general agreement with Manitoba to promote official languages. The agreement will, among other things, make it possible to review, translate and publish the Statutes and Regulations of the Province of Manitoba in both official languages; to implement French services at Manitoba Hydro, the St. Boniface General Hospital and public libraries in Francophone regions; and to renovate and expand the Centre culturel franco-manitobain.

Mr. Speaker, these are concrete examples of the kind of leadership this government has shown with respect to official languages.

* * *

• (1410)

[*English*]

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we all know that in spite of their rhetoric, the Liberal senators in the Liberal caucus could have defeated the GST on many occasions.

They could have defeated the GST when leave was sought to introduce the legislation into the Senate. They could have defeated the GST at first reading. They could have defeated the GST at second reading. They could have defeated the GST while the Liberals had the majority during GST committee work in April, May and June.

At all stages, the Liberal senators supported the GST. However, if there is still any question where the Liberals really stand on the GST, I have before me the 20th report of the Standing Senate Committee on Banking chaired by Liberal Ian Sinclair and including Liberals MacEachen, Perrault, Kirby and Buckwold.

They unanimously recommend that as soon as possible the federal government should introduce legislation to implement a broad based multi-stage sales tax. In other words, the Liberal senators in the Liberal caucus urged the Mulroney government to implement a GST. Shame on the Liberals for speaking against the GST while working quietly behind the scenes to have it implemented.

[*Translation*]

FORESTRY

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, on August 24, the federal Forestry Minister submitted a proposal for renewal of the forestry agreement to his Quebec counterpart.

Despite what was said by Ministers Rémillard and Côté, Forestry Canada is prepared to proceed immediately with negotiations on the agreement, and they need not worry about the availability of federal funding.

As far as our government is concerned, forests, and especially privately-owned forests in Quebec, are among our priorities.

We cannot afford to keep those who might benefit from this agreement waiting any longer. That is why I urge Ministers Rémillard and Côté to sit down and start negotiating. Everybody's time is precious.

Mr. Saint-Julien: Wake up, Quebec!

* * *

[*English*]

THE BROCKVILLE INCIDENT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, Canadians who viewed the program entitled "The Brockville Incident" on *The Journal* this past week are finally in a position to judge fairly Brockville's flag burning episode that took place a year ago last September.

Until now, the event has been slanted and distorted, and generally misunderstood in many parts of Canada.

The entire incident illustrates how easy it is for a small group to get attention through the power of the media merely by using an unorthodox and unacceptable means to protest.

It also illustrates just how easy it is to pit one part of Canada against another, one Canadian against another. A country is much like many other things, Mr. Speaker. If you want it to work, it will but if you do not want it to work, you can usually find a cause that will promote its failure.

Let us hope that this program allowed Canadian viewers to finally judge what was to some Canadians a major cause of rift in international relations and internal relations, but was to most merely an isolated incident by a misguided few.

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[*Translation*]

GOODS AND SERVICES TAX

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I want to congratulate the Government of Quebec for amending its goods and services legislation to exempt books and publications from this tax. The Government of Quebec has acknowledged that culture is not taxable and confirmed its emphasis on developing our culture.

Mr. Speaker, I hope that the federal government, once its bill has been ratified by the Senate and has received royal assent, will immediately table an amendment to exempt books and publications from this tax, thus following the lead of the Government of Quebec.

Mr. Speaker, when will we be able to congratulate the federal government on having done so?

* * *

FOCIQ 90

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, from November 15 to 18, 1990, the Olympic Stadium in Montreal will be the site of the first super trade and industry fair in Quebec. This event, called "FOCIQ 90" is being organized by the Quebec Chamber of Commerce together with its 230 affiliated chambers, in co-operation with Promexpo and with the collaboration of the federal and provincial governments.

Taking its inspiration from international trade fairs in Germany and Japan, FOCIQ 90 is intended to be the most impressive showcase for industry and trade in Quebec to date. Six different fairs will be set up under the same roof, to offer trade delegates from more than 40 foreign countries, 75,000 business men and women and 1,000 exhibitors endless opportunities for exchanging ideas. This event will include more than 180 lectures by ministers and prominent business people on subjects related to the the themes of the fair.

On behalf of Mr. Jean Lambert, president of the Quebec Chamber of Commerce, I invite you all to attend this unique event.

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[*English*]

CONSUMERS GAS

Mr. John Nunziata (York South—Weston): Mr. Speaker, surprise, surprise, Ontario's newly elected premier has taken up gymnastics. It seems that back-flip Bob has done a flip-flop on the sale of Consumers Gas.

Is it not strange how, after going to New York on bended knee to entice American businessmen to invest in Ontario, our silk stocking socialist premier announces that he will allow the sale of Consumers Gas to foreign interests?

Only last March, then opposition leader Big Dreams Bob said that Consumers Gas should be a public utility. He promised that if he were elected premier, he would stop the sale.

Someone should inform federal NDP members that while they have been waging war on the Tories who are trying to sell off Canada, their provincial cousins at Queen's Park are selling out Ontario. The self-righteous New Democrats have started to break their promises. They are back-pedalling, back-tracking, and flip-flopping left and right.

Truly this is the height of hypocrisy. Why is back-flip Bob cosying up to big business? This leaves all of Ontario wondering what type of government has been elected. Are they Tories in NDP clothing? What other surprises does broker Bob have in store for—

Mr. Speaker: The hon. member's time has expired.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Deputy Prime Minister.

Plant closures in western Canada, Ontario, Quebec, and Atlantic Canada have become a daily occurrence across our country. The government's policies of high interest rates and a high Canadian dollar are making us uncompetitive internationally. This is what is causing unemployment throughout our country.

When is this government going to give some substance to its oft repeated but empty promises of assistance to those put out of work by its impossible policy of combining its free trade agreement with high interest rates and a high Canadian dollar? When is this government going to replace its tight money policy with a policy of full employment?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I suppose the hon. gentleman will realize first of all that the bank rate today went down considerably, 12 basis points.

This is a clear sign that our policy is working. We do want interest rates to come down, but we want them to come down and stay down so that we can profit fully from the free trade agreement and other policies of this government.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, this government knows and the Minister of State for Finance knows perfectly well that tinkering with interest rates is no solution. He knows too that plant closures and unemployment are a direct result of the government's failure to put its own house in order.

To finance its growing deficit, the government not only absorbs a major part of domestic savings, but it goes abroad to borrow more at yet high rates. The result is that Canada, piece by piece, is being mortgaged to foreigners. The result is that Canada has become less competitive, plants are closing, and unemployment is increasing.

How does the government propose to correct its foreign exchange imbalance when its own policies of a high interest rate and a high Canadian dollar are crippling our export industries?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will take the job creation policies of this government any time over the policies of the Liberal Party.

I would ask the hon. gentleman, if he really cares about job creation, to talk to his colleagues in the Senate and tell them to get on with the GST, which is a tax that will precisely improve the over-all capacity of Canada to

create jobs and to compete. This is what he should be doing instead of talking, if he really means what he says.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister is going to have to talk a long time to convince Canadians that the GST is a job creation program. The government has only two policies: higher interest rates and higher taxes. However, every time this government raises taxes it fuels inflation and every time this government raises interest rates the cost of borrowing goes up, further fuelling inflation.

• (1420)

The government's policies are pricing Canada out of world markets. The Conference Board of Canada stated this week: "Interest rates have increased significantly since the beginning of 1988 which has had a major adverse impact on Canada's trade performance", and the Conference Board concluded: "such a strategy will likely retard the recovery and dampen the degree of the upturn".

When will this government bring in a policy of full employment and a new budget in place of its policy of unemployment and recession?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the hon. gentleman will certainly realize that inflationary pressures are the reason we have high interest rates. There is no running away from it, as the Liberal Party did in 1980 and caused a very deep recession.

After seven years of record growth, it is normal the excess capacity is there and has to be taken out of our economy. This is what is happening now. We are trying to prevent runaway inflation.

It is happening. Interest rates are coming down, as the hon. gentleman was able to realize from the Bank of Canada rate today.

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PERSIAN GULF

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

While the U.S. is announcing a major increase in the number of troops being sent to the gulf and Secretary Baker is now seeking support for a resolution that would authorize the use of force against Iraq, non-aligned members of the Security Council have put forward a resolution that attempts to broaden the peacekeeping role of the Secretary General, the establishment of an air peacekeeping force, and measures to seek a regional settlement of the dispute.

Can the minister tell us what is the position of the Government of Canada on these different initiatives? Will the government be supporting the peacekeeping proposal which is now being considered by the Security Council?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his question.

As he knows, the Security Council has found the remarkable success of the last three months because there has been extensive discussion of texts within the council itself. That has been the case with regard to some of the matters relating to the invasion of Kuwait by Iraq. It has been the case with some of the matters relating to other events in the Middle East where there has been an ability for the Security Council to act.

That kind of discussion is now going on, and I frankly do not think it would contribute to the process of consensus in the Security Council were I to stake out a position on elements of those proposals here on the floor of the House.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a supplementary question.

The minister will probably know that following the recent hearings of the Standing Committees on External Affairs most of the testimony has been of a nature of counselling a course of patience for this country and for all countries involved in the crisis and, in particular, suggesting that we give the sanctions time to work.

Has there yet been at the United Nations or within the Department of External Affairs a clear assessment of the effectiveness of the present economic embargo? Will the Government of Canada as a member of the Security Council be putting forward measures at that council which would broaden and strengthen the application of economic sanctions as a way of giving a clear message to Iraq without continuing to talk about an escalation of military hostilities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a continuing assessment of the effectiveness of sanctions. I think that question has to be answered in two ways. Are they effective in their breadth and in the degree of support by the outside world? Are they effective in changing behaviour in Iraq?

The answer to the first question, are they effective in their breadth and in the degree to which they are respected, is very much yes. That has to do in part with the existence of a very effective naval blockade in which Canada is playing, I may say, a commendable role. It also indicates the degree to which there is firm international support. We are monitoring that. We are the vice–chair of the Security Council subcommittee on sanctions.

As to the other question, the impact on Iraq itself, there is some impact. It is not an impact, I have to tell the House, that looks like it will change Iraqi behaviour in the short term. Nonetheless I agree with the hon. member in his observation that we want to continue to press on sanctions and other peaceful means to make Saddam Hussein understand that the world is resolute in requiring him to leave Kuwait.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Secretary of State for External Affairs.

As has just been discussed, we hear increasing escalation of war rhetoric, indeed an increase in troops and tanks by the United States, the United States seeking Soviet support of a U.S. led attack, and many declarations by Margaret Thatcher from Britain and others talking about escalating war. I want to ask the minister whether he is talking at all about escalating peace.

Will the Secretary of State for External Affairs send a strong common sense message to the whole world that he will not commit Canada to being involved in an offensive war, without the full approval of the United Nations and the full approval of this Parliament once it is assured that all peaceful attempts have been made to resolve this situation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the leader of the New Democratic Party is given to long prefaces which include lists of statements that are not always accurate. Consequently I do not want to be seen as agreeing with any or all of the several statements in her preface.

The position of the government is very clear. We are working to ensure that there is a peaceful resolution. We are working to ensure that if force needs to be used it would be under the umbrella of the United Nations. We are working very hard to achieve that.

We certainly want Saddam Hussein to be in no doubt about the resolution of the rest of the world, including Canada, that if he does not respond to peaceful pressures force will be used.

The hon. member is suggesting that we should build in some delays that would allow, I think she said, the full satisfaction of Parliament as to an action that we might undertake. I presume that means the satisfaction of every member of this House of Commons. She knows that would mean that Canada could then be rendered in a position where we have offered to support international action but when the time comes to act we are unable, because of the delays of our parliamentary system, to support that effective international action. I think on consideration she would not want Canada to do that.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I and all Canadians would feel that in a democratic country a full and open debate on whether this country goes to war is not a delay but an essential part of what this country's foreign policy should be.

Some hon. members: Hear, hear.

[*Translation*]

Ms. McLaughlin: Mr. Speaker, many countries support the economic blockade of Iraq because they all want to find a peaceful solution to the crisis in the gulf. Today, when he appeared before the External Affairs Committee, Gwynne Dyer said we should give economic sanctions a chance to work.

My question for the minister is this: What kind of information has he received from the United States and the United Nations on the current effectiveness of the blockade? Is he prepared to give sanctions a chance to work?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I jsut answered an identical question by the hon. member for Winnipeg South Centre.

[*English*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister.

The minister is saying that a debate in Parliament on whether Canada goes to war would be a delay. The minister is not prepared to give us any details on whether the economic sanctions are working, which is the reason we went to the Middle East in the first place.

Why will the Secretary of State for External Affairs not give this House some indication of the information that he has on whether or not economic sanctions are working?

Surely the people of Canada have the right to know why we are talking about going to war without having shown to the Canadian people whether or not the sanctions are working.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe the hon. member was in her seat when I answered precisely that question from the member from Winnipeg. I do not know if she was in the House when she was in her seat, but I gave the answer. I will give it again. The answer is that the question about the effective sanctions has two elements. One is whether there is evidence that sanctions are changing the behaviour of Saddam Hussein. So far there is no evidence that sanctions are changing the behaviour of Saddam Hussein.

• (1430)

The other aspect is whether sanctions are being broadly supported by the international community. All the evidence is that they are. In part that is due to the existence of the naval blockade, and in part, the success of that blockade is due to the exemplary action of Canadians who are serving in that region. Of course, it is the position of the Government of Canada to give those sanctions time to work. Of course that is our position. Perhaps the hon. member would like to go back—I see you rising, Mr. Speaker, so I shall not continue.

Some hon. members: Hear, hear.

UNEMPLOYMENT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the Minister of Industry, Science and Technology.

Once again I bring to the attention of the government that industrial plant closures and cutbacks, along with major lay-offs in the forest industry have created very serious economic and human problems across the upper Ottawa Valley and eastern Ontario in general. Far more than 3,000 jobs have been lost after the gains and the losses have been balanced.

Will the minister give us a commitment today that his department will come forth with economic measures to assist eastern Ontario in a useful and practical way?

Hon. William C. Winegard (Minister for Science): Mr. Speaker, as we have said before, no one in this House is pleased when plants go down and when there is economic disruption. The hon. member knows what we need to do is to work with the various industry sectors to see what can be done with each of these industry sectors in terms of future development and to try and prepare a kind of business plan, if you like, for the future. We are doing this now.

I do not think there is much more that we can do as a government except pour more money in and that is not possible.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the same minister.

Since January 1989, Cornwall has lost 1,100 jobs; Renfrew, 1,600; Hawkesbury, 250; and Alexandria, 325, including 100 layoffs at the Consoltex textile plant in the last two weeks. When will the government face up to its responsibilities? When will it give us a development program for Eastern Ontario? Do we all have to lose our jobs before we get anything?

[*English*]

Hon. William C. Winegard (Minister for Science): Mr. Speaker, as the Minister of Finance has said to this hon. gentleman many times, no one likes plant closures.

If the hon. member is going to talk about plant closures, then I think it is important to talk about those that have closed in recent months. If he strings off a list of plant closures over the last three or four years, that is not fair in terms of this economic problem.

We acknowledge we have a problem and we are going to try to resolve it.

An hon. member: We'll be happy to.

* * *

LAND CLAIMS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Minister of Indian Affairs and Northern Development.

Yesterday the minister of Indian and northern affairs announced that the 20-year old massive Dene-Métis comprehensive land claim is dead. Under the new cabinet endorsed regional land claim strategy, some of the western Arctic Dene and Métis are in, and some are out.

We applaud those that are in, however, the balance of the Dene-Métis population who are alienated, essentially sidelined, and casualties of a regressive, divisive outdated land claims policy and brutal negotiating tactics of the federal government want to know what noble and honourable plans this government has in store to deal with their land claims.

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development): Mr. Speaker, it is indeed unfortunate the agreement that was initialled and signed could not be completed for all members of the Dene-Métis nation.

I do not think that the member with all her concern for the people in the north would want us to step back and not continue with settling land claims. We are moving ahead with the groups that do want to continue in that area. We will also continue to move with all other groups who want to sit down and talk about land claims.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

In a speech on September 25, the Prime Minister referred to the success of recent case law in recognizing aboriginal rights. Now that the government has walked away from and replaced the Dene-Métis comprehensive land claims, I would like to know if the Prime Minister will let the courts decide whether the rights of the aboriginal people in Western Arctic are legitimate, or is he afraid he will be faced with a judgment like the decision with Sparrow and Sioui?

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development): Mr. Speaker, we did not walk away from the agreement with the Dene-Métis.

The Prime Minister made a commitment in this House that we would continue to work on land claims. We are doing that. There are groups that are meeting. There are groups that are having discussions with the native community. We have brought them into the discussion. They will stay in the discussion, and we will act on the outcome.

* * *

INDIAN AFFAIRS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, since Parliament was recalled in September, we have been asking the government to tell us what really happened during this summer's Mohawk crisis on the grounds that a smart country can learn from its mistakes.

The RCMP has just investigated themselves over one incident on one night. Claude Ryan is investigating his own Quebec police forces, and the Conservatives on the aboriginal affairs committee of this House are trying to shut down the parliamentary inquiry.

My question is directed to the Minister of Justice. Does she agree with me that nothing is really being investigated in a comprehensive and an independent way? Will she, on behalf of the government, announce a full, public, independent, comprehensive inquiry into the Oka crisis?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is an extraordinary question, and it raises a whole lot of issues that have to do with a whole lot of different departments of this government, including the Ministry of the Solicitor General and the Department of National Defence.

I would be remiss if I did not point out to the hon. member that there is an opportunity for this issue to be discussed in a parliamentary committee. I understand the terms of reference have not been set, and certainly there has been no concern expressed on my part as to the scope of that inquiry. I believe that is probably the best form to do it.

The short answer to his question is that I have no plans to introduce such an inquiry.

* * *

THE CONSTITUTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister.

The Deputy Prime Minister recalls that last spring the federal government made many promises to the aboriginal people about dealing very soon with their constitutional concerns.

What I want to know from the Deputy Prime Minister today is whether or not action will be taken immediately to deal with those constitutional concerns now instead of waiting until after Spicer reports on July 1.

While he is on his feet, can he now give a commitment that there will be some representative appointed to the Spicer commission from the northern territories, because they are now unrepresented on that commission. It is a very important part of Canada.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the minister responsible for the aboriginal constitutional dossier, the House will have heard me say before that no one is more disappointed than I am that the Meech Lake Accord failed to be ratified, because that accord and its companion resolution put into place a process which would have guaranteed meetings on a regular basis and an established process for addressing aboriginal constitutional concerns.

With the failure of the Meech Lake Accord and with the lack of a disposition among the provinces to engage in constitutional discussions, it is not possible to proceed with that. As the hon. member will know, the federal government cannot unilaterally institute constitutional discussions.

However, that being said, I believe that the Spicer commission will in and of itself involve Canadians in discussing some of the very vexing questions in front of us, including the questions of collective rights in Canadian society. Those that are asserted both by particular linguistic groups and by our aboriginal community.

At the same time, we are proceeding with a great deal of determination in those areas that do not require constitutional change and where we can show our bona fides and our very strong intention to better the lot of aboriginal people in this country.

I refer, in particular, to the land claims area where there is a considerable amount of effort being spent, particularly in my own province of British Columbia, in the area of aboriginal justice. I believe in that area we can make progress without constitutional change.

* * *

[*Translation*]

CANADA POST

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is directed to the minister responsible for Canada Post.

The government continues its destruction of rural postal services in Canada. Closures, privatization and even removal of the Canadian flag and the corporation's emblem. Furthermore, the minister gave preferential treatment to the Minister of Public Works when the corporation cancelled its project for a commercial outlet in Central Nova. Why the double standard, one for Canadians and one for ministers?

• (1440)

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Canada Post continues to open up new postal outlets in conjunction with commercial outlets, which are frequently open longer hours than the corporate-run postal outlets. The service has been improving. Everywhere these changes are made, whether rural Canada or urban Canada, when they go back with a post-change survey, they find that customer satisfaction is 70 per cent to 80 per cent.

Every time we can make changes that save money and improve efficiency and satisfy 80 per cent of your customers, I think it is a good idea.

If the hon. member wants to represent the 20 per cent who are unsatisfied, I will represent the 80 per cent who are satisfied.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, in my area there have been many closings and I have never, in all the time I have been a member, seen the protests by people, and rural Canadians across Canada. They are the strongest of protests.

In light of the fact that in some cases if it is good for one minister it is good for that area, if it is not in other areas of Canada.

Is it the minister's opinion that all these Canadians should stop their protests, stop their petitions, because it means absolutely nothing to him that the postal services across Canada are going down, that many thousands will be without postal services in the next few years, that this minister wants no more protests? Is it not worth protesting if you are not a minister?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member seems to be suggesting that the postal structure that was in place and appropriate to the society of Canada 40 or 50 years ago should remain in place today and no changes should occur.

Changes are occurring which customers by way of independent surveys are saying they approve of. They approve the service. We have an independent auditor so that every quarter we measure the effectiveness of the postal system operations and the efficiency has been increasing.

What is going on now, of course, is labour negotiations for a new contract and some of the leadership are finding it profitable to go out and try to make a political issue out of some of their concerns in the hope that they can achieve through political pressure that which they cannot achieve at the negotiating table.

I do not think the hon. member is serving her constituents or the taxpayers of Canada well by continuing to reflect just that point of view.

GOODS AND SERVICES TAX

Mr. George Proud (Hillsborough): Mr. Speaker, my question deals with veterans and other Canadians who have been told that a beeper which summons emergency health services does not fall under "medical devices" in the goods and services tax schedule. This would make them tax exempt.

The Department of Veterans Affairs must consider this to be an essential service since it pays for the beeper under Blue Cross.

My question is to the President of the Treasury Board or the revenue minister. How can they justify taxing this device which can mean the difference between life and death?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member knows, the Canadian Legion is considered a non-profit organization in the area of GST and therefore would not be obligated to pay or collect the GST.

Mr. George Proud (Hillsborough): Mr. Speaker, officials within the revenue department tell us that this is not so.

I would ask the minister, if this beeper is exempt, would he tell me where in the schedule of the proposed goods and services tax it says that the device is tax exempt?

Hon. Otto Jelinek (Minister of National Revenue): Mr. speaker, the hon. member knows that questions of this sort should be put on the Order Paper.

Some hon. members: Oh, oh.

Mr. Jelinek: Mr. Speaker, the hon. members laugh but one of the problems with all of these members—

Some hon. members: Oh, oh.

An hon. member: I guess they do not want to hear the answer, Otto. Why don't you just sit down?

Mr. Speaker: The hon. member for Regina—Lumsden.

* * *

MERCHANT MARINE

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Twelve thousand Canadian merchant seamen served their country during World War II. Approximately 3,500 are still surviving. Twelve hundred and fifty-nine of them

died in combat, one of the highest casualty rates of any allied service during the war.

Both the United States and United Kingdom recognize their merchant seamen as veterans. Canadian merchant seamen who served in dangerous waters during the last great war seek today what they have sought since the end of the war, equal recognition, entitlement, and benefits now received by their fellow World War II veterans. This year, for the first time, the Royal Canadian Legion supports that position. These men were awarded all the World War II decorations. If that does not make them veterans, I do not know what does.

Will the minister today give his assurance that he will either amend Bill C–87 today, or bring in additional legislation immediately that will give these merchant seamen, who served in Canada's merchant navy during World War II, veteran status?

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, this government and governments for the last 45 years have dealt with this particular problem. We recognize with great sincerity the contribution that was made by the merchant marine during the time of war. It is for that very reason we have put in place all the programs we have for the merchant marine.

Essentially, they do get the military decorations, but they do not get the CVSM, the Canadian Volunteer Service Medal, for example and they do not get the Defence Medal.

Second, we do give them disability pensions and we do give them prisoner–of–war compensation. They do not get War Veterans Allowance, but they do get civilian war allowance. There are lots of things that they do get. We have treated them very, very well, it seems to me. The problem is they were not part of the Canadian Active Service Force in time of war.

However, I want to tell the hon. member that we have the matter under consideration. It will be discussed at a meeting of all the veterans' groups, not just with the Royal Canadian Legion. There others as well. We set that up as a topic for discussion on October 24. It will be discussed over the period of the next few months.

THE ENVIRONMENT

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, who I understand is away on business, I will direct my question to the Minister for International Trade. The minister, I understand, has been notified of the question which concerns the Fraser River Estuary Management Program funded by both the federal government and the B.C. government.

Over the past five years that program has been mandated to monitor and assess the environmental health of the lower Fraser River. The five–year funding is now essentially grinding to a halt and the management committee of the program has applied to the government for a three–year extension.

The Department of Fisheries and Oceans is the only one of three federal agencies not yet committed to the continuation of the program funding. Is the Department prepared to commit at this time the funding needed to continue the program? Alternatively, would the minister be prepared to bring these matters before the next cabinet meeting and encourage his cabinet colleagues to consider this important environmental initiative?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the interest of the government and the success of its programs with reference to salmon enhancement is well illustrated by the fact that this was one of the greatest years for the salmon fishery in British Columbia this century.

An hon. member: Are you taking the credit for the salmon run?

Mr. Crosbie: Yes, we are taking the credit for that. It is time, Mr. Speaker, that the government cast aside its modesty and started taking credit for a great many of the things that it has done.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Mr. Crosbie: With respect to the clean–up and sustainable development of the Fraser River Estuary, that is a high priority with the government. The Minister of the Environment will be outlining the details of his Green Plan in the next few weeks. The hon. member can be assured that the Fraser River will have a central part in this great environmental Green Plan which acts. While all the opposition does is talk, this government acts, Mr. Speaker.

• (1450)

Some hon. members: Hear, hear.

* * *

CRIME PREVENTION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Justice.

The Netherlands, as I said yesterday, have allocated $17 million to crime prevention and that amount is going to be doubled by 1994. The minister has given $195,000 to the Federation of Canadian Municipalities, but this program cannot come into place because she needs the approval of five other departments which are reluctant to make their commitments.

When European countries are giving millions of dollars to the cities to fight crime, why can this government not even put into place a program for $300,000 to fight the increasing crime rate in Canada?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, aside from obvious factors such as the fact that The Netherlands, for example, is a unitary state and Canada is federal and, therefore, we share jurisdiction for crime prevention with the provinces, there is an enormous investment in crime prevention by the requisite jurisdictions across the country. I think comparing national figures is misleading, to say the very least.

My own department puts just under $1 million a year into crime prevention with respect to the support of research, but this is a commitment that involves a number of government departments. I would suggest to the hon. member that I repeat the offer that I made to him yesterday. I will correspond with him or invite him to a briefing where I will lay out before him all the things that the Government of Canada does in the area of crime prevention.

The hon. member must know that we are among the most active and effective participants in the UN conferences on crime prevention and that our international involvement is extremely important particularly because, as a country which shares an undefended border with the United States, we have a significant stake in international co-operation in crime prevention. We have brought in an enormous range of changes in legislation and I am very happy to advise the hon. member. I hope he will, in the future, compare comparable statistics and not ones that have no relevance to what we are doing.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, not only is the government not putting the money in place, it is not even agreeing to set up a crime-prevention council, as have European countries and Australia. The Canadian government seems to want to hide its head and hope the problem goes away.

Why will the government not set up a crime-prevention council so we could co-ordinate what effort there is here in Canada to fight the increasing crime rate in the country?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, it may or may not be appropriate to set up a crime-prevention council, but there exists at the moment a very sophisticated and functional series of networks between three levels of government in the country in order to co-ordinate and consolidate crime prevention activities.

If it is appropriate to set up a council, then that is something we could certainly look at. But it is, in fact, a kind of knee-jerk response, if I may say so, of the Liberal Party that when it sees a problem, it wants to set up a new organization.

We have principals who are working in crime prevention and who conduct police forces in this country. They are working in a co-ordinated effort on behalf of all Canadians and I have no reason to believe that that is not functioning well.

Some hon. members: Hear, hear.

* * *

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

We all want to protect the defenders of humanity and we want peace. However, we cannot allow volunteers for research to take health risks in order to solve their financial problems. Reportedly, Mr. Trottier volunteered mainly because he was broke and stayed because he needed the money.

Will the minister agree that enticing with extra dollars Canadians who are poor or broke to serve as subjects for human experimentation is unethical? If the answer is yes, why did the government permit it to happen? Will the Minister now put a stop to it?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, we believe that it is appropriate, before drugs are put on the market in Canada, that they be tested on volunteers. If the hon. member disagrees with that, he is certainly free to indicate that he is.

Does the hon. member believe, for example, it should be tested on people who are not volunteers? Second, does he not believe that people who are asked to give of their time and inconvenienced should be compensated for that? Is the hon. member aware of the fact that, in the case of the test for HI–6, it involves some five separate stays of up to 60 hours in order to have the tests conducted and have follow–up tests done? Does he not believe that it is appropriate, where people put faith in such studies, they should be compensated for their inconvenience?

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, this side of the House believes that the drug must first be tested in human beings in a clinically–controlled fashion before it is placed on the market. We equally believe that compensation should be given, but given only for loss of time from work and to help with their meals, not as a bribe to poor Canadians.

Doctor Agnes Klein of the Health Protection Branch is quoted in today's issue of *The Calgary Sun*: "This is normal practice" referring to the fact that no animal testing for cancer with HI–6—

Mr. Speaker: I ask the hon. member to put his question.

Mr. Pagtakhan: Mr. Speaker, no testing had been done on animals before it was tested in humans.

Will the minister agree that the sequence of testing should be first on animals before human volunteers? Why has the minister got it backwards? Is he not concerned that even low doses of a carcinogen could produce irreversible damage in human beings?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I do not know why the hon. member is suggesting that the compensation these individuals received for up to five stays of some 60 hours apiece, 300 hours of participation, was too high. If he believes that, he should say so.

The hon. member says that no studies have been done with regard to animals. There have been a succession of tests done by DND over the years since 1981. The program involved efficacy testing in seven animal species and one avian species: mouse, rat, guinea pig, dog, monkey, swine, and chickens. It also involved rats. It involved just about every species but rat packs.

Some hon. members: Oh, oh.

Mr. Beatty: It is based on all of the information. In addition to that, around the world over 120 persons in Sweden and Yugoslavia have had exposure to the drug. We are not aware of any danger to human beings as a result and we have reviewed all of the medical literature relating to it. We believe it was a safe test and we believe it was ethically conducted.

* * *

GOODS AND SERVICES TAX

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, I too like many others have asked some questions about GST and I would like to direct my question to the Minister of State for Finance.

As you know, Mr. Speaker, I am a small–businessman and I am actually looking forward to moving the federal taxation system from the MST to the GST. But, like many others, I come from a province that will have more than one taxation system. I would like to put this question to the minister. Is he and the Minister of Finance doing anything to harmonize the two taxation systems?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I thank the hon. gentleman for a very valid question.

For two years we have worked closely with the provinces to get them to agree to a national sales tax. Unfortunately, they were not very forthcoming. Now that the GST is virtually adopted, they are coming onstream. As you very well know, Mr. Speaker, the province of Quebec has announced a two–stage harmonization of its sales tax with the federal GST. Saskatchewan is currently negotiating with the federal government on the possibility of harmonizing, so we are heading in the right direction. I thank the hon. gentleman for his question.

[*Translation*]

PARCEL DELIVERY IN NORTHERN CANADA

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the minister responsible for Indian Affairs and Northern Development.

For several months, a task force has been carrying out consultations and studies on the impact of unfair cuts in federal subsidies for air parcels in northern Abitibi and northern Canada.

My question is this: can the minister confirm that the study has been ready for two weeks and that several public servants and special assistants at Canada Post and Indian Affairs already have a copy? When does the minister intend to table this report publicly, in the House of Commons, for the benefit of hon. members?

[*English*]

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his question. Indeed, I would like to point out the fact that it is through his representations, both in the House and to my colleague, the hon. member for Vaudreuil, that this study did take place. It is being studied by the officials of my department and, as soon as we receive a copy of the report to table, you will receive a copy.

* * *

• (1500)

ENERGY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources.

Yesterday, gas prices increased by 10 cents a litre in Saskatoon and 17 cents a litre in Regina overnight. Also, yesterday in committee, the chairman of Petro-Canada said: "recent increases in gasoline prices have been due to speculation and not the fundamentals of supply and demand."

Can the minister of energy commit himself today to initiate an investigation into these dramatic price increases and make big oil companies justify this attack on Canadian consumers? Is he on the side of Canadian consumers or on the side of oil companies?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, with respect to energy prices, I have said in the House before that the government will monitor and continue to monitor them. In fact, I made an offer to the NDP for a full briefing on the pricing policy. I also suggest that the hon. member take a look, for example, at the Ontario government with respect to increasing taxes. I guess they think that gasoline prices are not high enough. That is a new first policy they have expressed on energy.

Second, when I take a look at their position on consumer gas, they say one thing in opposition, but they are sure open to pricing once they get into government.

* * *

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, it is Crime Prevention Week, but Canadian women still live in fear.

The tiny town of Iqaluit has experienced three sexual assaults in 10 days. On Canadian campuses, young women have to be escorted between buildings because of the alarming increase in sexual assaults. This government has spent millions publicizing and justifying the GST.

Will the Minister of Justice promise to spend some dollars on a campaign to educate Canadians and to de-escalate violence against women?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. member knows, this government has a $40 million program on family violence that includes the problem of violence against women.

I think the hon. member would agree that this is not a partisan issue. It is one that deeply concerns all of us and requires us to examine fundamental attitudes that have a way of being perpetuated in one of our institutional settings.

One of the things the Department of Justice has been doing is giving strong support to the Canadian Judicial Centre, which has been a pioneer in trying to raise the awareness of those who sit in judgment in our courts on the question of gender bias.

Point of Order

If the hon. member has not seen a copy of the video on gender bias that the Canadian Judicial Centre has put out, I would be happy to provide her with one. She indicates that she has seen it. I think those are the kinds of things that we can do through the Department of Justice.

There is a federal-provincial task force on women and the law that wants to look more deeply into questions of this substantive law as it affects women. The hon. member will know that the question of sexual assault is a serious one. It is a reflection of attitudes and a reflection of law enforcement. We are determined to try and attack the attitudes that lead to this social blight.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of hon. members to the presence in the gallery of His Excellency Nicéphore Soglo, Prime Minister of the Republic of Bénin.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

HOUSE OF COMMONS

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I beg your indulgence for us to be reminded today of the 25th anniversary of an election that took place in 1965. At present, there are four members of that class of '65 who are still members of this House.

They are the member for Renfrew—Nipissing—Pembroke, the member for Notre-Dame-de-Grâce, the member for Victoria—Haliburton, and the member for Annapolis Valley—Hants.

Mr. Speaker, these gentlemen have served their constituencies well. I know everyone wants to join me in wishing them the very warmest congratulations on achieving their 25th anniversary.

Some hon. members: Hear, hear.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Official Opposition is very happy to join in congratulating those four members of Parliament.

We all recognize their outstanding contributions to Canada and to the people they represent. We think strongly that they are good examples of public commitment, and we encourage them to continue—maybe not 25 years—but somewhat into the next century.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too want to associate my party with the comments made by the two previous speakers, and to say that in their own special way they are great Canadians.

* * *

HOUSE OF COMMONS

MEMORIAL TO FATHER SEAN O'SULLIVAN

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I rise to propose a motion.

There have been discussions with the opposition parties. I think that you will find that there is unanimous consent to put the motion and to adopt it.

I do so on behalf of the Prime Minister. I know that this motion has the support of the Leader of the Opposition and the Leader of the New Democratic Party.

In their absence, I understand that the member for Hamilton Mountain and the member for Brant will be prepared to second the motion that I propose. It speaks for itself.

The motion reads as follows:

> That, in recognizing that the late Sean O'Sullivan was a member of this House of Commons, left political life to continue his service to Canadians as a priest, devoted much of his time as a priest being a friend to and caring for members on both sides of this House, and was taken from us by the ravages of cancer at the age of 37, with his life and faith serving as an ideal and an example for all Canadians, this House hereby sets aside the sitting room at the Wellington Street entrance to the East Block as a meditation room open to all people of all faiths, and we hereby declare our hope that this room, dedicated to the memory and ideals of Father Sean O'Sullivan, and those like him, will serve to remind all members of Parliament and all Canadians to reach out to one another in a spirit of friendship and caring.

Mr. Speaker: The House has heard the terms of the motion. Is there agreement?

Some hon. members: Agreed.

Mr. Speaker: So ordered.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

STATEMENT PURSUANT TO S. O. 31

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise on a point of order to ask for clarification regarding the ruling on my statement under Standing Order 31.

I want to point out that on November 1, 1990, the Chair allowed the member for Abitibi to engage in an attack on the member for Burin—St. George's to take place in the House—

Mr. Speaker: Just a moment. I am not sure where the hon. member is going. If the hon. member is challenging the ruling of the Chair, that is not appropriate.

If the hon. member is having difficulty in—

Mr. Karygiannis: Clarification.

Mr. Speaker: The hon. member is asking for clarification. I can give the hon. member clarification, and I shall.

On January 17, 1983, Madam Sauvé, then Speaker, touched on the question of what is appropriate comment in statements by members.

The hon. member who has risen was stopped by me earlier today after I listened for a few minutes, or at least some seconds, and it became clear, at least I thought it was clear, that the hon. member was making a personal attack on another hon. member.

As a consequence, I had to stand and interrupt him.

On January 17, 1983, Madam Sauvé said this: "The time set aside for members' statements should not be used to make personal attacks." She went on and said: "It is clear that personal attacks are not considered to be matters that should be raised."

That is the rule that we have tried to follow in this House. It may well be that that rule has been transgressed, and I might have missed it.

I assure the hon. member that I do listen carefully. If I erred in letting that rule be transgressed at some other time, then I very much regret it. I think that we must bear with the rule and I think that that is the general feeling of the House.

• (1510)

I thank the hon. member for raising it. If he would like to discuss it further with me, of course he can see me in my chambers.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this being Thursday, I would like to ask the government House leader if he could tell the House what business we are to deal with when we come back here on November 19, and possibly that week.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to an order made today, we will adjourn at the end of this day's business and the House will not be sitting tomorrow, sad as that makes me. I am going to have to find something else to do tomorrow. I do not know what. Next week is the scheduled parliamentary break.

We return on Monday, November 19, at which time I propose to call for a continuation of second reading, hopefully to completion, of Bill C-85, having to do with airports devolution; followed by Bill C-90 which has to do with the extension of the charters of the chartered banks of Canada.

On Tuesday, I would again carry on with Bill C-90 if it has not been completed on Monday; and commence second reading on Bill C-88, which is the establishment of Canada's participation in the European Bank for Reconstruction. Wednesday, again these are subject to changes, but the proposal would be Bill C-76, the Aeronautics Act, and Bill C-92, financial administration, both of which are technical in nature.

Mr. Gauthier: Mr. Speaker, I just thought that if it would make the minister feel better, as government House leader, if tomorrow he wants to come into the House and maybe answer some questions for a change, we would be more than pleased to ask him those questions.

PRIVILEGE

HOUSE OF COMMONS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I was attempting to gain the floor in order to extend my thanks and those of the other members named on the occasion of their 25 years in this House. I want to thank those who spoke on our behalf.

It is very true that the motion just put by the Deputy Prime Minister and adopted by this House shows that there is a great deal of the human factor left in this institution. I want to say how proud I am to serve with the members who are in the House. We have some great talent here. I think they will have a very successful future in Canadian politics.

Mr. Speaker, I would be very remiss if I did not thank my constituents up the Ottawa Valley in Renfrew, Nipissing, Pembroke and the other boundary divisions prior to that for their loyalty over the years and for giving me the opportunity to sit in this House and represent them. I consider that a great privilege and a great honour. It is indeed an honour for all of us here in this House to try to represent Canadians and to represent Canada on the international scene.

Finally, Mr. Speaker, there are people in this business who are sometimes left out and seldom get recognition. I am talking about my wife and family. I want to extend a very sincere thank you to Lois, to Sherri and to Doug for their tremendous loyalty and patience over the years, to all my personal friends, to those people in our individual parties at home who support us and stick with us and do some of the dredging in the trenches for us from time to time. We all owe them a great debt.

In thanking all those people, I want to once again say to all members of the House that there is nothing that we cannot overcome by way of challenges facing Canada today, be it national unity or whatever, if we all have the sincere will and the desire to overcome it together. Let us work together. We have a great nation. Yes, we have challenges, but we must have the will and the desire to do it. We must continue to build this great nation of Canada into what the Fathers of Confederation and others who sat in this place before us wished us to do, so that we will be leaving a great past for others to build on in the future.

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I believe the hon. member rose on a question of privilege. If ever there were a prima facie case made, I am sure that was the one.

While I am on my feet, I have three different motions that I need to bring before the House. On the first one there have been consultations and there is unanimous consent for this motion:

> That, the report *sur les circonstances ayant entrainé la réquisition des forces armées canadiennes pour venir en aide au pouvoir civil*, which I am now tabling, be referred to the Standing Committee on Justice and the Solicitor General.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in the spirit of co–operation that is prevailing at the moment, we are delighted to consent to this motion.

However, I would like to have the parliamentary secretary clarify for the House the fact—and perhaps he can speak to this briefly—that there are two Notices of Motions for Production of Papers on the Order Paper, one in the name of the hon. member for Ottawa—Vanier which asks for copies of all papers and correspondence exchanged between the governments of Canada and Quebec concerning the deployment of Canadian forces in Kahnawake and Kanesatake. I believe that is what this report is about.

There is another one in my name requesting copies of records and the tabling of the total cost of deployment of Canadian forces at Oka, Quebec, which are required under the National Defence Act to be filed with the government in any event.

I also note that my other Notice of Motion calls for a copy of the report by the Quebec attorney general to the Secretary of State of Canada setting out the circumstances behind the calling of the Canadian forces to Oka, which I assume this report is.

It appears that the parliamentary secretary has inadvertently answered by this tabling one of my Notices of Motions for the Production of Papers, which again leads me to wonder why we did not agree to it on Wednesday.

In any event I wonder where the document is. Has it been tabled in this House? If so, when? It appears to be referring a document that has been tabled and I have not seen it tabled. I wonder if the parliamentary secretary could enlighten us on that point.

Mr. Cooper: Mr. Speaker, I apologize profusely to the member for accidentally answering one of his questions. It certainly was not my intention.

Seriously, I would be happy to have a look at the motions and his request for papers, as I have done in the past, and attempt to get complete answers.

I should say that by way of tabling I did that just now. If the House would request that I do it by reverting to Tabling of Documents, we could do that. However I did not think that with consent for the motion that it was necessary.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, before we give our consent, I have a question for my hon. friend.

Based on the unanimous motion of this House the matter of the crisis was referred to the aboriginal affairs committee for study. Yet, if I heard correctly when my hon. friend introduced his motion, the matter was referred to the justice and solicitor general committee.

It seems that it would be more appropriate to have it referred to the aboriginal affairs committee. After all, it has been given the responsibility of examining the whole issue.

I would like to seek clarification from my hon. friend on that issue.

Mr. Cooper: Mr. Speaker, it is true that there has been consent to refer the issue of the Oka crisis over the summer to the Indian and aboriginal affairs committee. However, in this particular case we are dealing with a report from I believe the solicitor general of the province of Quebec. It was decided, in conversations with the other parties and with the members of the justice committee, that we would table this document with reference to them.

Mr. Riis: Mr. Speaker, I think we are being asked for unanimous consent. Before we give unanimous consent, I want to make it perfectly clear that while it was discussed in the justice committee to do just that we in the New Democratic Party felt that since the Oka issue had been sent to the aboriginal affairs committee for examination it would be the appropriate place to send this report. After all, if they are studying this issue in detail, this report will be an integral component of that evaluation.

• (1520)

Simply, I want to say that we will give our consent—

An hon. member: No.

Mr. Riis: Okay, Mr. Speaker, I guess we will not give our consent, then.

Mr. Cooper: Mr. Speaker, I must say that I am really sorry to hear that. I certainly gave the New Democratic Party the motion at the beginning of Question Period. It was my understanding that this came from discussions within the justice committee of which their party is a member.

I am disappointed that we now find ourselves in a position where we have asked for the consent of the House, with the understanding that I had it before I did it. As hon. members know, it is not my practice to ask for consent on motions unless I am fairly certain that there is an agreement on it.

The other unanimous consent motion that I seek to put before the House—

The Acting Speaker (Mr. Paproski): Did the hon. member have consent to table the document?

Some hon. members: Yes.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Perhaps I could help a bit. I am the New Democratic Party member on the justice committee. We have not agreed that the justice committee, from our point of view, examine this matter. As our House leader said, we think it is part and parcel of the general examination by the other committee.

I gather this is the report of the attorney general of Quebec as to why the army was called in. It is under the National Defence Act of Canada. The government actually does not have to table anything under the act, but it is attempting to table something.

I personally would like to see the government table a report. However I wonder if it might be possible for us to give our consent. I certainly would consent to the government tabling the report, but not necessarily with reference to the justice committee.

Mr. Cooper: Mr. Speaker, I am sorry, but the hon. member will have to understand that before I move with consent motions in the House, it takes a great deal of discussion involving a great number of people.

I cannot, on my own, stand in this House and do one-half or one-quarter of something I thought we had agreed to. At this point I have no choice but to withdraw the unanimous consent request.

The Acting Speaker (Mr. Paproski): So ordered.

On a point of order, the hon. parliamentary secretary to the government House leader.

Mr. Cooper: Mr. Speaker, I think you will find unanimous consent for the following request to revert for a few moments to Statements by Ministers so that we can allow the Minister of Veterans Affairs to make a brief statement regarding Remembrance Day.

Mr. Riis: Mr. Speaker, it is important that we seek clarification that not only will the Minister of Veterans Affairs have an opportunity to make a statement—and we are most anxious to hear his statement—but that the Official Opposition and the New Democratic Party spokespersons will also have an opportunity to make statements. That was my understanding of the agreement. In other words, we will just follow the usual traditions of the House.

Mr. Cooper: Mr. Speaker, Statements by Ministers usually mean Statements by Ministers followed by statements from the other two parties, and that is what I intended.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Paproski): Order. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

November 8, 1990

Mr. Speaker,

I have the honour to inform you that the Honourable Charles Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 8th day of November, 1990, at 5.15 p.m., for the purpose of giving Royal Assent to a bill.

Yours sincerely,
Judith LaRocque
Secretary to the Governor General

ROUTINE PROCEEDINGS

[*English*]

REMEMBRANCE DAY

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, Canadians will know that Sunday, November 11, is Remembrance Day in Canada. In fact most of the civilized world honours this particular day.

[*Translation*]

Mr. Speaker, it is my privilege, as the Minister of Veterans Affairs, to remind the House and all Canadians that next Sunday, November 11, is Remembrance Day.

[*English*]

It has been very heartening in recent years to learn that attendance continues to rise at Remembrance Day ceremonies across the country. On November 11, let us hope that once again Canadians of all generations will join members of our 600,000-strong veteran population in paying tribute to those who served their country in time of war.

The year 1990 has given us many reasons to be especially thankful for those who went to war on our behalf. This year we celebrate the Battle of Britain. Canadian pilots were in the Hurricanes and in the Spitfires which 50 years ago won this great battle, giving the allies time to regroup. This was a major psychological victory for the allies who, up to this point in the war, had little to be happy about.

This spring the people in The Netherlands turned out in the hundreds of thousands in ceremonies all across the country to hail the return of those young Canadian soldiers who had liberated their land 45 years before. Every Canadian can reflect in the glory of the adulation showered on our veterans. The streets of cities and villages alike were adorned with maple leaves and signs emblazoned with "Welcome back, Canadian liberators" were everywhere. The Dutch people sang *O Canada* with great gusto. They have never forgotten the sacrifices and the achievements of the youngsters from across the Atlantic 45 years before. It was a pilgrimage of considerable pride.

This summer, as Canadian forces moved toward the gulf, it was something like a rerun from 40 years ago when Canadians volunteered to go to Korea in support of the United Nations.

Later this month, members of this House will be in Asia in the company of our Hong Kong veterans, the first of our troops to see action and the last to see freedom.

The anniversary of these campaigns tell us that the reputation won for Canada in the mud of France and Flanders in the First War was well and truly maintained.

On Sunday, we will be saluting all those who risked their lives for strangers in other lands. In particular, we will be thinking of the more than 110,000 Canadians who did not return home to their loved homes.

Let us also remember the many others who did not serve in uniform but whose lives were changed vastly by what happened in some far away land. I am thinking of the spouses, the parents, the sisters, the brothers and the relatives—in fact all those who took part in the war effort—who looked after those who came home disabled in body or mind. Their service has been unending; their love is timeless and unbroken. Through the Veterans Independence Program and other initiatives we have been able to make life easier for veterans and those who cared for them.

As we stand in silence on Remembrance Day and reflect on the sacrifices that war brought throughout our history, let us in 1990 ponder the words written by Lord Byng after the battle at Vimy Ridge in 1917, when he said:

> There they stood on Vimy Ridge that 9th day of April, 1917, men from Quebec stood shoulder to shoulder with men from Ontario, men from the Maritimes with men from British Columbia, and there was forged a nation tempered by the fires of sacrifice and hammered on the anvil of high adventure.

Those are powerful words, marking the point in time when Canadians came of age and became a full partner in the family of nations dedicated to promoting and preserving democracy and world peace, and we have not looked back since.

• (1530)

[*Translation*]

As Canadians, we have so much to remember and so much to be thankful for.

[*English*]

Mr. George Proud (Hillsborough): Mr. Speaker, as the Official Opposition critic for veterans affairs, it is an honour for me to rise today and pay tribute to those Canadians who fought for their country and for freedom. We honour today not only those who died in two world wars and Korea, but those who continue to deal today with the aftermath of their struggle.

When Canadians think of what Remembrance Day means in their daily lives, they think of the poppy. In the weeks preceding November 11, they see the Royal Canadian Legion's familiar poppy boxes in stores and church halls. In return for a donation of spare change, they get a small flower, modest in spite of its blood red colour which they pin on their lapel. This has become such a common rite of late fall that perhaps people do not think of the significance of their actions.

Canadians wear the poppy as a symbol of respect and honour for those who fought for our country. I do not think that there is anyone who, if asked if they remember our war dead, would deny that they do. I do fear, however, that not enough Canadians would do so without a reminder, even with their blood red flower on their coats. I regret that not enough people think of our ongoing responsibilities to war veterans.

On Remembrance Day, all across the country, people take time from work and from school to gather around war memorials, to lay wreaths and to bow their heads for a moment of silence at 11 a.m. We try at that time to visualize the 114,000 Canadians who gave their lives so that we can live in freedom. Moment of silence is a small gesture of respect to those men and women. But after we raise our heads, after we return to work and to school, our responsibility does not end. We have not done enough no matter how sincere our tribute.

We have an ongoing responsibility to today's war veterans, spouses and widows and dependants, those who were willing to make the same ultimate sacrifice for freedom and who live among us today. These aging Canadians face special problems. The war did not end for these people in 1918, 1945 or 1953. It is manifest in their daily lives by disabling physical conditions and by the personal conflict and grief felt by all who experienced war.

Remembrance Day gives us the opportunity to express our gratitude and respect for the living and the dead in a personal way by wearing a poppy, by laying that wreath, by bowing our heads in silence.

Our ongoing expression of gratitude and support is expressed every day in a collective sense through the benefits administered by the Department of Veterans Affairs.

Remembrance Day is more than bowing our heads and listening to our community leaders utter fine words in honour of the dead, although that is a sacred aspect of the day.

That part is relatively easy, as any school child released from class to stand beside the cenotaph can tell you. The hard part is manifesting those sentiments in our daily lives. The hard part is remembering as we grumble daily about our problems and our complaints, that we live in the greatest democracy on earth, and that we owe this to our war veterans and to our fallen comrades.

This year, we have an even greater motivation to give thanks for what we have, to honour those who sacrificed so much for our country. Since last Remembrance Day, the Berlin wall has fallen. Czechoslovakia has elected a poet as its president, and the Germanys have united.

The world has marvelled for a year at the human capacity for understanding, for unity and for peaceful change. The lesson of Remembrance Day lies not only in horrific images, memories of bloody trenches and the bomb at Hiroshima. It also lies in the images we watch on our televisions this year of East and West Berliners destroying the wall together, of the people of Prague bringing down a dictatorship not with guns, but with burning candles.

I hope, as we all do, that these images are evidence that we are beginning to understand what John McRae was trying to tell us in his poem *In Flanders Fields*. We have an opportunity to use such hard won wisdom in the Persian Gulf situation. All Canadians hope that this war will not break out, that we will not have a new group of war veterans. But if it should happen, and I pray that it will not, I hope that we will continue to show our honour and our respect for these war veterans, both on Remembrance Days to come and on a daily basis, through veterans' benefits and programs.

Mr. Speaker, as we approach November 11 when Canadians will attend services of remembrance, let us continue to honour those who served Canada in her hour of need.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I want to acknowledge the fine remarks of the minister and my colleague.

I am honoured to rise, on behalf of my colleagues in the New Democratic Party, to share with the House some thoughts and feelings about Remembrance Day. The motto for this important day is "Lest We Forget". That phrase expresses the whole purpose of Remembrance Day, to remember those members of our shared human family who lost their lives in war. Our Canadian sons and daughters who died while serving their country in the wars they have fought are honoured again, as well they should be.

It is important that we do set aside a special day each year to honour, not only those who have fallen and not only those who served Canada in that way, but we should take the day and the hour of the armistice to remember the needless horror and futility of war. The motto, "Lest We Forget", is engraved on our hearts, but have we always kept the pledge implied in this phrase? It is with profound sadness, Mr. Speaker, that I suggest that we have not.

There are many Canadians who served in our forces and many who have died in that service who have not been adequately remembered or recognized. We have long treated with contempt the memory of those Canadians who served with the Republican forces during the Spanish Civil War. These heroes counted in their number Dr. Norman Bethune. These were the first Canadians to enlist in the war against fascism and dictatorship. It is the eternal shame of all democratic governments which refused to come to the aid of a democratically-elected government when invaded by Franco, with the support and assistance of Hitler and Mussolini.

Many Canadians joined the Mackenzie-Papineau Battalion and fought honourably, in the same war which the governments of Canada and Britain did not join until 1939. Many of those who fought with the "Mac-Paps" were taken prisoner and tortured. Canada said nothing. We have never officially honoured these brave ones nor

has any Canadian government extended to them the recognition they deserve as war veterans.

I want to say that the Canadians who served in the Republican forces were in no way comparable to the Canadians who joined the U.S. military to fight the war in Vietnam. Those who helped the U.S. in Vietnam were not defending a democratically elected government, instead, they were helping a superpower invade a small nation.

Mr. Speaker, no Canadian government has granted war veterans' status to merchant seamen. I will have more to say about that when we get to the bill at second reading stage. But I want to say of the sailors in Canada's merchant marine who sailed in dangerous waters for the allied cause during World War II, that without the supplies and ordinances merchant seamen brought from Canada to Europe, Canadian and other allied forces would have been helpless to defeat fascism.

There were more combat fatalities among the merchant seamen during World War II than there were in the Royal Canadian Navy, and many merchant seamen were captured and held as prisoners of war, in some cases for up to five years. Yet when World War II ended, the merchant seamen who had risked so much and had contributed so greatly to the war effort did not receive the benefits received by regular sailors, soldiers and airmen.

I am sure very few Canadians know today about another piece of our history that I must mention, and that is what our First Nations did in Canada's first overseas military expedition, which was the Nile expedition of 1884–85. It was Canada's first overseas military campaign. It was also the first time that Canadian Indians volunteered for an overseas war. General Wolseley, who put down the Red River Rebellion, was so impressed with the expertise of the Indians as voyageurs, he recruited some of them to help the relief expedition up the Nile.

• (1540)

Fifty-six Mohawks and 30 Ojibwas were given a non-combative role as voyageurs to transport a British expedition up the Nile River to rescue General C.G. Gordon at Khartoum.

Sixteen members of the contingent of First Nations died in the expedition from drowning, disease or combat engagement. All the voyageurs were decorated for their service in Egypt, but we owe it to their memory to specifically praise their service on this occasion.

A memorial cross at Fort William Mission testifies to their contribution to our history. And of course we owe it to the memory of those who were first here and first to serve to see to it that their descendants, Canada's First Nations of today, are at last allowed the dignity which comes with control of their own affairs, which is surely their right.

Finally, Sir, I want to remind the House of something I said last year on this occasion. At that time I suggested the best way for Canada to remember her war dead was to do its best to make and keep the peace. This is a point I would want to make again.

We could be at war again soon. It is my hope that we as a nation will do all that we can to keep the peace. If we must go to war to stop aggression, it must only be done under the auspices of the United Nations. In the war which may come there will be no victors. And if the human species is to survive, we must learn never again to make war.

The Acting Speaker (Mr. Paproski): As a symbolic gesture I would appreciate if hon. members would rise with me for a one minute silence.

[*Editor's Note: The House stood in silence.*]

It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Gatineau—La Lièvre—Government Information Systems; the hon. member for Ottawa—Vanier—The Citizens' Forum on the Future of Canada; the hon. member for Nunatsiaq—Indian Affairs.

GOVERNMENT ORDERS

[*Translation*]

DEPARTMENT OF VETERANS AFFAIRS ACT

MEASURE TO AMEND

Hon. Gerald S. Merrithew (Minister of Veterans Affairs) moved that Bill C-87, an Act to amend the statute law in relation to war veterans, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, I am pleased to address the House at second reading of Bill C-87, an Act to amend the statute law in relation to war veterans.

[*English*]

I am also delighted that the long-standing tradition of non-partisan, all-party support for veterans legislation is being continued today with the passage of this bill, hopefully at all stages. My critics, the member for Hillsborough and the member for Regina—Lumsden, have my thanks for their co-operation.

In a number of speeches this summer, but most particularly in June at the Dominion Convention of the Royal Canadian Legion in Vancouver, I gave veterans a preview of the direction I was heading with this legislation. The reaction to the types of changes envisaged was extremely favourable and this feeling was reinforced when veterans and their organizations had an opportunity to review the bill following first reading.

The preview I provided centred on three key areas. First, we are sweeping away decades of out-dated paternalistic and just plain clumsy approaches to the administered accounts. I think a word of explanation here is in order.

When veterans or their dependants are unable to manage their finances and have no one to assist them, Veterans Affairs will step in and provide the assistance. We are currently helping approximately 1,000 veterans and their dependants with administration of their veterans benefits. Efforts have been made to improve our system of administered accounts. Less than 20 years ago, some 10,000 individuals had their accounts administered by Veterans Affairs. Today, as I mentioned, we have only about 1,000 veterans and dependants in this category.

The changes reflect a significant turnaround in thinking, both at Veterans Affairs and in society at large. Simply put, our heart was in the right place, but nothing beats the help that can be provided by a caring relative or friend. They can give the added dimension that we just cannot. That is why we have made such a large effort to encourage veterans or their dependants to voice their own preferences for a third party administrator.

Nonetheless, we can only go so far with the current state of our laws and regulations on administered accounts. They are, as I have said, archaic. Bill C-87, which we are dealing with now, will enable us to give veterans and their dependants, in the 1990s, 1990 service and that is a development all of us can applaud.

Let me provide just one example which is the second key element of this bill. For decades Veterans Affairs has followed ordinary banking practices with regard to administered accounts. The assumption has been that the accounts were like chequing accounts. A service was received and the cost of the service was provided through waiving interest on the account.

Well, times have changed. Financial institutions pay interest on virtually every type of account and Bill C-87 will permit Veterans Affairs to fall into line with modern practice. With the passage of this legislation, Veterans Affairs will pay interest on administered accounts effective January 1, 1990. The interest this year will amount to approximately $3.5 million. That, Mr. Speaker, is the type of change I had in mind when I said that we want veterans and their dependants to receive 1990s service and treatment.

The third area I wish to highlight is related to the reform of the administered account system. The Royal Canadian Legion has proposed that, when a veteran whose account is administered by Veterans Affairs dies without a will or an heir, that veteran's administered funds should go into a special trust fund for the benefit of other veterans.

This is a proposal whose time has come. Bill C-87 will allow us to establish the special trust fund and help those veterans and dependants who are most in need. I can think of no better way for these unclaimed benefits to be used. The fund will truly exemplify the special bond that exists between those who fought side by side in Korea and the two world wars.

The amendment related to the trust fund and to administered accounts are the most significant measures in the bill. They are important, necessary, and good news items for veterans and their dependants, but there are other measures worthy of mention.

• (1550)

First, we are proposing to remove an anomaly which denies benefits to widows or widowers. These are the surviving spouses of what is known as the Class 21 pensioners, those whose disability is assessed at under 5 per cent. These particular pensioners receive a lump sum rather than monthly payments, but nonetheless are entitled to receive a monthly attendance allowance if

their health problems make it necessary to have attendant care in the home. However, with the death of the veteran, the surviving spouse lost this monthly allowance at an already difficult time. The amendment will treat these individuals in the same manner as the widow or widowers of other disability pensioners who continue to receive the allowance for up to one year after the death of the veteran.

In this regard, I want to mention that the government has acted to help recently bereaved spouses of disability pensioners through the one year continuation of pension benefits. We believe this is a compassionate practice and we have extended our help to other areas as well.

This summer, I was able to announce that surviving spouses of veterans who had been receiving VIP, or Veterans Independence Program benefits, would be able to retain groundskeeping and housekeeping assistance for up to one year after the death of the veteran. The change took place, effective September 1 of this year, and it again represents further progress in our desire to help recently bereaved spouses get through a most difficult time.

Bill C–87 also includes dozens of amendments designed to provide policy consistency, to improve wording, and to streamline procedures. They are non–controversial housekeeping measures. In fact, this is a comment I wish to underline.

Following first reading, the major veterans organizations—the Royal Canadian Legion, the National Council of Veterans Association and the Army, Navy, Air Force Veterans Association—poured over every word in this bill. They discussed virtually every clause with my staff and officials and, in fact, with me personally. Then, we met to talk about the items where any questions remained.

My approach was quite simple and straightforward. If there is anything in Bill C–87 that raises any doubt or uncertainty about it being of either a benefit or housekeeping nature, let me know and I will resolve it here and now, or we will put it to one side for further discussion. I might add that we have done that in several cases.

The amendments I will be moving in Committee of the Whole reflect the consensus that all of the veterans organizations have reached. They have been studied and broached by both the Liberal Party critic and the New Democratic Party critic. It was consultation at its best. I want to thank the veterans' organizations for their invaluable comments and their insight. This bill is a better one because of their contribution and I am the first to acknowledge that.

Before I conclude my remarks, I would like this opportunity to speak to a point all Canadians feel, particularly at this time of year. While we can never repay the men and women who did so much for Canada in wartime, nor can we ever stop trying to pay the debt we owe, Bill C–87 is intended to benefit further veterans and their dependents, but there is more we all want to do in the future.

The veterans organizations, through their appearances before parliamentary committees, in their meetings and their conventions, and in their day–to–day representations, bring forward dozens of good suggestions and recommendations. Parliamentarians and interested Canadians also raisèd positive and constructive ideas for improvements. We have been able to do quite a bit. In fact, I have announced eight new improvements this summer alone.

I would like to thank my colleagues on all sides of the House who are making possible debate on Bill C–87 today. The spirit of co–operation is appreciated. Hopefully, we will get through second reading, referral to Committee of the Whole, and clause–by–clause study of the amendments and bill today.

[*Translation*]

I again want to thank my colleagues on all sides of the House who are making possible today's debate on Bill C–87. The spirit of cooperation is appreciated by veterans and their dependants.

[*English*]

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased to rise today to address second reading of Bill C–87.

I would like to begin by again paying tribute to the men and women whom the Department of Veterans Affairs and the associated agencies are there to serve. Over 100,000 said men and women sacrificed their lives in three wars to keep this great country of ours free. Of course, we also honour and cherish the veterans who

came home, but who continue to struggle with the disabilities, the memories of the war, and the companions they lost. We bear a great responsibility and concern as well for the spouses, widows and dependents of these veterans.

As I took the time to examine this bill with the various veterans associations, such as the Royal Canadian Legion and the National Council of Veterans Associations, which includes among others the War Amputations of Canada, I came to the conclusion that there were many changes that were needed in this legislation.

It is the bill's intention to pay interest on funds held in trust accounts for veterans and administered by the department. I regret that it took so long to see this come about. The Auditor General recommended in his report that Parliament for the year ending 1986 said that interest should be paid on such accounts. This initiative, of course, is one ray of hope in a bill which in many other cases is in need of further improvement.

There are several aspects of this bill which cause concern to the veterans organizations and to myself. I would like to discuss for a moment those concerns. Many veterans' issues have yet to be addressed by the government, issues which cannot wait for resolution much longer. Veterans, of course, make up a small segment of our population and they may not be considered to be a high priority by many Canadians. In view of the sacrifices made by these men and women, this is an attitude which we must fight every step of the way. We owe our freedom and our democracy to these outstanding Canadians, and the concerns and the needs of them and of their dependents must be addressed on an ongoing basis. Veterans are fortunate to have such organizations as the Royal Canadian Legion and the National Council of Veterans Associations to talk to the Department of Veterans Affairs and other areas of government on their behalf.

Of great concern to veterans and their associations is the effect of the clawback. The passage of Bill C-28 by the other place means that Canadian veterans will be forced to subsidize the deficit which this government has failed to reduce effectively.

Also, there are many veterans who do not require chronic care in a hospital setting, but who do need a support system at home. Therefore, the department offers The veterans Independence Program. However, some veterans, such as those who did not serve outside of Canada, are not eligible for certain benefits under the program. I feel this discrimination between veterans is unfair and must be corrected to ensure that all veterans receive equal treatment.

I believe that the passage of this bill without the positive changes in the following areas would be a terrible development on our system of veterans benefits. I just want to quote some of the sections.

Clause 4, paragraph 14(3)(b) states that "any of the commission's duties" should be changed to specify "non-adjudicative duties". This would leave no doubt that while duties may be delegated, the power of adjudication cannot be delegated.

There are many clauses which I feel need correction and as we go through the clause-by-clause examination, I will speak to them. There are some apparent drafting errors as well that must be corrected. One is that appeals to entitlement boards, amending subsection 81(1) of the Pension Act in clause 28 to restore the words "or whose award has been cancelled or reduced". These words are necessary to allow a pensioner to appeal a decision to cancel or reduce an award on grounds other than a change on the basis of entitlement, in particular, when a pension is stopped under new subsection 106(22).

Second, in dealing with the stoppage of pensions for the refusal to be medically examined, the new subsection 106.22 of the Pension Act in clause 31 of the bill should be changed by replacing the word "minister" with "commission". This would leave in place the avenues of appeal which now exist and would ensure that adjudication is performed by the independent commission, rather than by the minister.

• (1600)

Of understandable concern to veterans organizations is the apparent change of mood on the part of government with regard to benefits. The implementation of the clawback, as I stated earlier, the charges for board and lodging, the restrictive policy in regard to hearing loss assessment, the placing of restrictions on the number of days a year that treatment allowance for pensionable disability can be paid and the restrictions regarding the effective dates of retroactive payment of treatment benefits are just a few concerns.

I am worried by the apparent tendency toward delegating responsibilities from the Canadian Pension Commission and the Veterans' Appeal Board to departmental ministers. This is a dangerous precedent, because if adjudication duties come under the auspices of the bureaucrats, responsibility and accountability are in danger.

I am also concerned with the response of government resolutions arising from veterans conventions, which is either too slow or lacking altogether. Some areas of urgent priority to veterans are the elimination of delays in addressing pension applications. I know it has come a long way, and it has a lot farther to go, of course.

The ineligibility of widows to benefit from pension increases assessed after their spouse's death, the payment of proportionate rather than full pensions to widows, payments to serving members of the forces through sustained disabilities which restrict promotion, transfer and review of the basis of disability pension rates, inequity of the War Veterans' Allowance Act which must be corrected is a requirement that veterans or their widows must be a resident in Canada when applying. Before the allowance can be paid outside of Canada, the recipient must have a continuous total of 12 months residency in Canada.

This may seem quite all right at the outset. Many people, some of them who did not return home from overseas after the war, live in the United States or other places. They would benefit greatly because these people are not the people who are buying shares in Air Canada or Petro–Canada. These people are living far below the poverty line, and it would seem only fair that the veterans or their widows who cannot return to Canada be eligible for this allowance.

The War Veterans' Allowance Program is intended to meet the basic needs of veterans. In order to maintain a reasonable quality of life, some additional income from casual earnings, interest on savings and rentals are exempted from calculating income. However, the last increase in the casual earnings exemption was in 1985 when it went from $100 to $140.

Veterans' associations believe that an exemption of at least $500 per year is more realistic and that increases should be at least equal to the Consumer Price Index gain since 1985.

I cannot stress enough how important and how urgent these matters are for our veterans and their dependents. They must be addressed now, not in a matter of years.

Another matter which has been raised by the veterans and others across the country is recognition of the contribution made by merchant seamen during Canada's war effort during the two world wars and Korea.

While merchant seamen were not members of the Armed Forces, they played a crucial role in the war effort. Without the merchant navy, our forces would have been deprived of vital supplies of food, weapons, ammunition, vehicles, fuel and other essential items which were necessary to ensure our victory.

We have the cold statistics of men killed and ships lost to remind us that although the merchant seamen were not members of the Royal Canadian Navy, they ran the same risks and too often paid the same price.

They did it for the same reason. They did it to defend their country and its values. They deserve the same recognition and the same support that we give veterans of the forces.

Since 1941, the Government of Canada has recognized the equality of service and sacrifice of the merchant navy by awarding the Silver Cross to the widows and the mothers of those merchant seamen who gave their lives in war.

It seems strange to me that we recognize the equality of service and sacrifice with this medal, but we do not recognize the equality of service when it comes to granting equal benefits to those merchant seamen who returned. To put it bluntly, if a merchant seaman was killed, he was a hero. If he returned, he was a forgotten civilian.

In 1962, in response to pressure from the Canadian Legion and the Merchant Navy Association, the Canadian government made an effort to recognize the service of these people by passing Part X1 of the Civilian War Pensions and Allowances Act, which granted them the equivalent of war veterans allowance. In view of this, it was not too much to expect that when the government extended what is now called the veterans independence program, or VIP, to the recipients of the war veterans allowance, the merchant seamen would be eligible for VIP, but they are not.

Basically, for the purposes of the VIP, service on the high seas during these wars in the merchant navy is not considered equal to non-voluntary service even when such service was performed only on Canadian soil. Merchant seamen are instead categorized with all other non-service personnel under the title of civilians. The United Kingdom and the United States have legally recognized their merchant seamen as having served in active military service and they are entitled to equal benefits.

Do members of the Canadian merchant navy not deserve the same? I agree with the veterans organizations in saying yes, they do deserve our honour and our support for their sacrifices, and this should be clearly demonstrated by giving them full status under veterans' legislation.

Another group who served Canada, and for technical reasons do not receive the benefits they deserve, are those who at the end of World War II were absent without leave and never returned to their units. In 1946 an Order in Council categorized these veterans as deemed never to have served, which meant that while they would not suffer any consequences for the service offence, they were also deprived of any benefits provided for members of the Forces. This, in spite of the fact that many had good front line service records, and in some instances many were wounded in action.

We believe that a system should be established which would review the cases on an individual basis as requested by appellants. Individual cases could be investigated and when appropriate, honourable discharges could be granted. Veterans just want these cases to be judged on the individual merit by an easily understood and accessible system, such as a special committee. If a favourable decision is made, then such veterans or their dependants would be eligible for benefits.

Like the merchant seamen and others, there is another group of veterans whose experiences and special needs too often go unnoticed. I tell you that they receive full benefits, that they go unnoticed and yet they made a great sacrifice to the nation, and I am talking about the prisoners of war. We tend to forget what these people went through.

During the years which we like to consider as carefree in our teens and our twenties, Canada's service men and women experienced hell on earth. Because of this sacrifice, we live as free men and women in the greatest country in the world, and we are deeply in their debt. Veterans serve, not just as a living reminder of the wars fought for Canada, they remind us that we must do everything within our power to ensure that no Canadians ever again have to make such sacrifices if at all possible.

I would like to quote the Hon. Daniel J. MacDonald, a former Minister of Veterans Affairs, as he spoke to Bill C-40 in July, 1980. He said, and I quote: "In this modern age, society is often accused of neglecting both the contributions of our forebears in building this great country called Canada and their needs as they age and experience infirmity. It is often stated that the measure of the social conscience of a nation lies in its treatment of its aging and dependant population".

While veterans remind us of so many valuable and painfully learned lessons, they must never be regarded as relics. We must ensure that they receive every benefit that Canadian society can provide to them. We must also be willing and able to provide support to a new generation of Canadian veterans should conflict arise in the Persian Gulf.

All Canadians hope fervently that the crisis will be resolved peacefully. We cannot let our hopes blind us. We must be prepared for any development and we must be ready to support all of our veterans, both present and future. In conclusion, Mr. Speaker, I want to say that I am very pleased that the Minister of Veterans Affairs has agreed to establish the study group to deal with various issues, some of which I have discussed.

• (1610)

As the official opposition critic for veterans affairs, I would hope to participate in this group. I look forward to working with the government and veterans to try to resolve the urgent matters before us.

I know that our goal should be a common one, to make the lives of Canadian veterans as healthy and as comfortable and as dignified as we possibly can. It is the least we can give to those who have given so much. We live as a free people, not by chance but because when that freedom was threatened, the men and the women of the army, the navy, the air force, and the merchant marine

and many others were willing to put their lives on the line. Many paid the supreme sacrifice. Many were wounded and the result is that we are free today.

Mr. Speaker, as we approach this November 11 when members of Parliament will attend Remembrance Day services across the country, let us make certain that we have indeed kept the faith with those who served Canada in her hour of need.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, it is a pleasure to take part in this debate. This bill amends several pieces of legislation that we support.

We in the New Democratic Party find much to support in the bill. For example, we are pleased to note the bill would require government to use proceeds from the estates of veterans who die without heirs to be placed in a trust fund and used for the benefit of other veterans, rather than going into general revenue of the government, which has been the practice for years, and which I submit is long overdue to be corrected.

We are glad to see the extension of the attendance allowance to class 2 widows. We are glad to see that a means test for disabled children of deceased veterans is removed. Of course, we have always opposed means testing for social programs.

In the main, this is a progressive piece of legislation. It extends some benefits to veterans and their dependants and puts into statute law some of the more generous practices of the Department of Veterans Affairs.

Specifically, there is now legal provision for clothing allowances for veterans whose disability cause wear and tear on their clothing. Again, Mr. Speaker, I congratulate the minister on a positive move.

However, this government has not shown itself either willing or able to listen to the electorate, nor even to take constructive criticism. It was with some delight and surprise I was able to note that the Minister of Veterans Affairs has listened to veterans organizations like the Royal Canadian Legion, Army, Navy, and Air Force Vets, and I am a member of both, and the National Council of Veterans Organizations, and drafted amendments to C–87 to meet the concerns of those groups.

Again I congratulate the minister. He has shown some sensitivity that we all appreciate.

Part of Bill C–87 is concerned with the operations of the Veterans Appeal Board. One of the provisions lengthens the terms of members from five and three to seven and five years. We also see this as a positive measure to allow members of the board to become more expert in their work before they must leave the board.

I would like to take this opportunity again to congratulate the government on the quality of appointments it has made to the Veterans Appeal Board. It is fair to say that many of the present government's appointments to boards and commissions have been something less than judicious and appropriate. Thankfully, appointments to the Veterans Appeal Board, not only from this government but previous governments, have remained to bob the pork barrel.

In fact, I would like publicly and in the House to congratulate the Veterans Appeal Board for the fine work it has done over the years. I humbly submit that I would like to see this government, or the next government—which could be my party—take appropriate measures to ensure that appointments to the Veterans Appeal Board will remain relatively non–partisan.

While I am on the subject of the Veterans Appeal Board, I would like to suggest to the minister that he might want to consider introducing legislation in the near future that would allow the board to hold hearings from time to time across the country. We could run into a situation where a veteran who has an appeal is not satisfied with the pensions advocate who appeared on his behalf when he made application and he wants to appear himself or have a lawyer represent him. This means that one or both of them have to go to Charlottetown.

In those instances I would think that once or twice a year the board should meet in different places in Canada to make sure that the veteran is satisfied with the representation that he can.

It is with mixed feelings I say that the minister's department is responsible for meeting the needs of fewer and fewer war veterans. I cannot say how glad I am that this has been the case, but more needs to be done.

In future there will have to be further improvements and increases.

This summer that we might end up with more war veterans. We hope that is not the case but, even as we speak, we are drifting closer and closer to a war. We must be fully aware of what this means.

I do not want to see the Department of Veterans Affairs lose any of its importance. That is why I encourage the minister, and I will support him, in his fight for veterans, even if it is with his own cabinet colleagues. I just hope he would fight harder sometimes.

In any case, the government must do all it can to help bring a peaceful resolution to the Arabian gulf crisis, and for many reasons Canada cannot afford any more wars.

I have what I believe to be and what my legal advice indicates is a reasoned amendment which I will move at the end of my remarks. The bill is intending to help veterans and their dependent survivors. I have congratulated the minister on that. The reasoned amendment I will move calls for this House to proceed no further with Bill C-87. My party and I want to give the government an opportunity to change the statutes or amend this bill before us now to extend war veterans benefits to Canadian merchant seamen who made at least one trip through dangerous waters during World War II.

I should say at this point that we are anxious to have this bill pass through all stages by the end of the day, even if it means, Sir, that we will have not to see the clock. It is shameful that this and previous governments have for 45 years refused to recognize adequately the contributions of these courageous Canadians made during those terrible years.

In response to the minister's answer to my question during Question Period today, I had the feeling that he was trying to leave the impression that the merchant seamen are getting really great benefits even though they are not recognized as veterans. I want to remind the House and the minister of some of the benefits the merchant seamen do not get, that Armed Forces veterans, firefighters, and civilian supervisors get.

• (1620)

For example, a clothing allowance on discharge, they all got it but the merchant seamen got zero. The other three groups got rehabilitation grants, but the merchant seaman did not. The Armed Forces veterans got medical and dental care free for one year, but the merchant seamen only get it if they have a pensionable disability. Surely that is not equal treatment. The others got out of work benefits, but the merchant seamen, perhaps, maybe. The Armed Forces veterans got temporary incapacity allowance, but the merchant seamen did not. The others got vocational training. For the seamen it had to be marine related and they had to be under 30 years of age. Many of those seamen were in their fifties and early sixties, sailing during the Second World War. When they came out, they could not get those benefits.

The others got benefits while they are waiting for returns, but the merchant seamen did not. The Armed Forces veterans got university treatment, but the merchant seamen did not. Federal Public Service preference, yes for the Armed Forces veterans, but no for the merchant seaman. For disability preference, yes for the Armed Forces veterans and the civilian supervisors, but the merchant seamen had to have a handicap. The Veterans Land Act, only if seamen were war disabled. If they are disabled, they are not going to be able to farm any land. Veterans insurance, yes for the other groups, but conditional for the merchant seamen. Veterans business and professional loans, yes for the Armed Forces, but no for the merchant seamen. Reduced rail transportation when they were on leave during the war, Armed Forces veterans got it but no for the merchant seamen.

That is a list of benefits the merchant seamen did not get as compared to the war veterans.

I would like to move a reasoned amendment before I sit down. There is much to praise in Bill C-87. It is clearly intended to help war veterans and their dependent survivors. I look forward to helping pass this bill at all stages today.

I congratulate the minister for taking the initiative in this regard, but I take this opportunity to remind the minister and the House that as a nation Canada has still failed to repay its debt to some veterans of the war against fascism. That is why the reasoned amendment I will move today if it is ruled in order calls this House to

proceed no further with Bill C–87. My party and I would like to give the government an opportunity to change the statutes or, by an amendment to this bill which we can do in 20 minutes, extend all war veterans benefits to Canadian merchant seamen who made at least one trip through dangerous waters in World War II.

It is shameful that in 45 years the government has not recognized the contribution those merchant seamen made. There were 12,000 of them—that is the equivalent of a full Canadian army division—who served in our merchant fleet during the Second World War. There are only about 3,500 of them left. We lost 1,259 of them, which is greater than 10 per cent, to death. Nearly 200 were imprisoned, some of them for up to five years, having been captured in 1940–41 by the Germans. There were those who died in the run to Murmansk and in the Battle of the Atlantic. This was the highest casualty rate, proportionately, of any allied force during the last great conflict. This is puzzling, since merchant seamen have been awarded many of the same medals given to Canadian Armed Forces veterans. The United States and the United Kingdom have recognized their merchant seamen as veterans. Since January 1988, U.S. merchant seamen have become eligible for full benefits from their veterans administration.

Of course the Royal Canadian Legion has passed a resolution calling for the Parliament of Canada to recognize our merchant seamen as full war veterans.

On this issue, the ball is in the government's court. I hope the minister or someone from the government side will tell us why this minister and previous ones have so far failed to act, for 45 years, to give merchant seamen full war veterans benefits, status, and recognition.

Therefore I wish to move:

> That this House decline to proceed further with second reading of Bill C–87, an act to amend statute law in relation to war veterans, because it fails to provide for the extension of veterans benefits as outlined in the bill to certain groups heretofore excluded from designation as war veterans, said groups including
>
> 1) Canadian Merchant Seamen, registered with the Canadian government between 1939 and 1945 end of hostilities in the Pacific, who made at least one trip through dangerous waters.

The Acting Speaker (Mr. Paproski): I will recognize the Minister of Veterans Affairs while I am looking at the amendment.

Mr. Merrithew: Mr. Speaker, my comments were to be on the amendment. I do not know whether or not you have ruled that it is in the right form. Perhaps you could make that decision.

The Acting Speaker (Mr. Paproski): I believe it is in the right form. I have no problem with that.

Mr. Merrithew: Mr. Speaker, in that case, I just wanted to make a few comments on it.

This government and all previous governments since the war have dealt with the issue of the merchant seamen. We fully recognize that they served under some very dangerous conditions and that they paid the supreme sacrifice in many cases. However, no previous government decided to take the additional step which would term them as being veterans and give them all the benefits of other veterans.

I think what I have done is a good step. I indicated it in Question Period today. Naturally we will not vote for this amendment. The Royal Canadian Legion, the Army, Navy, Air Force Association, and the National Council of Veterans Associations, along with members of our department and members of the portfolio which would include the Canadian Pension Commission, Bureau of Pension Advocates and the Veterans Appeal Board, would like to put this thing to a major study with all groups present to see if there is anything that can be done and if we can reach a meeting of the minds on this particularly thorny issue.

It is my position and the position of the government that at this time the referral of the matter to that particular veterans study group would be far more profitable than to pass this particular amendment. Therefore, the government will be voting against it.

The Acting Speaker (Mr. Paproski): I will propose the motion to the House now, and then I will recognize the hon. member for Kootenay West—Revelstoke.

• (1630)

Mr. Benjamin, seconded by Mr. Blackburn (Brant) moved:

> That this House decline to proceed further with the second reading of Bill C–87, an act to amend statute law in relation to war veterans, because it fails to provide for the extension of veterans

benefits as outlined in the bill to certain groups heretofore excluded from designation as war veterans, said groups which include the Canadian Merchant Seamen, registered with the Canadian government between 1939 and 1945 end of hostilities in the Pacific, who made at least one trip through dangerous waters.

The hon. member for Kootenay East—Revelstoke on debate.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, in rising to address briefly Bill C–87, an act to amend the statute law in relation to war veterans, I would just like to add to the words of my colleague from Regina—Lumsden that there is no better way for us in this House to pay tribute to the Canadian men and women who served in the two world wars and the many other conflicts in which Canada has been engaged than to act in support of the bill before us to improve the benefits and pensions of those who have served in Canada's forces in all of those conflicts.

Concerning my colleague's amendment to define those who served in Canada's merchant marine as veterans entitled to full veterans benefits, I can recall well the father of a good friend of mine—in fact the friend was the best man at my wedding—who three times was torpedoed and dumped into the North Atlantic while on the Murmansk run. He survived all three times. I can think of very few others, no matter which branch of the services, who perhaps earned full benefits and full pensions more than that gentleman and others who, like him, put their lives on the line in the most dangerous theatre of operations.

There is another group in addition to those in the merchant marine who I and my colleagues believe should also be recognized. These other Canadians who have never been given the recognition due to them as war veterans are those who went to Spain to fight fascism during the Spanish Civil War.

There cannot be more than 200 or so surviving Mac–Paps who were of course the first from our land to fight fascism. They were not paid well in Spain. They were given weapons and basic provisions as their reward for helping to try and stop Franco, Hitler, and Mussolini. For their courage and self–sacrifice, their own government declared them outlaws because they violated the Foreign Enlistment Act.

Imagine in the years just before World War II that it was against the law to fight against the most vicious tyranny the world had ever seen, but the Mac–Paps, the Mackenzie–Papineau Battalion and others risked imprisonment to stand up for democracy and made their way to Spain on their own where they served with honour.

Many were decorated by the Spanish Republican Government. Many were wounded, captured, tortured, or killed in the fight to stop the fascists and the Nazis.

I have often said that if the democracies had listened to the Mac–Paps and others, we might have headed Hitler off and perhaps stopped the sequence of escalating aggression that resulted in World War II. Many of the members of the Mackenzie–Papineau Battalion came back to Canada, joined the Canadian forces and continued in the war against fascism.

Now all they want is recognition as veterans. They are not even asking for benefits, though they certainly deserve them. Most importantly, they deserve to know that their country no longer regards them as outlaws for being among the first Canadians to try to stop the spread of fascism.

I hope that the minister will act soon to include as veterans, members of the Mackenzie–Papineau Battalion and other Canadians who helped the democratically elected government of Spain defend itself against a fascist invasion during the Spanish Civil War.

Thus, Mr. Speaker, the remainder of these gallant freedom fighters may finally be allowed to take their rightful place of honour and stand as a unit before Canadian cenotaphs on Remembrance Day. It is well past time.

I would move:

That the following words be added to the previous amendment:

and members of the Mackenzie Papineau battalion and other Canadians who fought with Spanish Republican forces during the Spanish Civil War.

The Acting Speaker (Mr. Paproski): The question is on the amendment to the amendment.

All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

The Acting Speaker (Mr. Paproski): Negatived on division.

Amendment to the amendment negatived.

The Acting Speaker (Mr. Paproski): The next question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

The Acting Speaker (Mr. Paproski): Negatived on division.

Amendment negatived.

The Acting Speaker (Mr. Paproski): The next question is on the motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

On clause 1—

Mr. Merrithew: Mr. Chairman, I have a series of amendments I would like to table for the committee's consideration. I would ask at this time for unanimous consent that they be deemed moved by myself and seconded by the Minister of National Health and Welfare. They will be considered disposed of later as we proceed in the clause by clause consideration of the bill.

In order to be of assistance, I made sure the opposition parties received copies of these amendments earlier.

I think it is only fair I ask that if any other members have amendments, they be tabled now or in the next few minutes so all of us in the committee have an opportunity to peruse them, to consider them and to make a decision on them.

Hopefully, I will be able to get this legislation which is so very important for our veterans through very shortly.

I have some of these amendments to move.

The Deputy Chairman: There are two motions in the package which would be out of order at the committee stage. They are the amendments to delete clauses 16 and 24. The way to accomplish this at the committee stage would be to vote against clauses 16 and 24. I will, therefore, deem the other 10 amendments to be moved by Mr. Merrithew, seconded by Mr. Beatty.

• (1640)

Mrs. Campbell (South West Nova): Mr. Chairman, my question is for the minister. It deals with the cut-off date for the Korean war, July 27, 1953. I wonder why that date was never extended and why the bill before us is not extended to cover those veterans who left Canada after that date.

I know one constituent who is offended by the cut-off date. I wonder if the minister could perhaps tell me how many veterans are affected? I realize there are fewer veterans still around who receive the veterans allowance. I am specifically dealing with the veterans allowance under this cut-off date because all other veterans have had all the other benefits except the veterans allowance from that date.

I would like to know how many veterans would have left after that date to go to Korea. I think it is well worth knowing in light of the crisis in the Gulf. We can pass an order retroactively but there is no order that the troops presently in the Gulf are in a theatre of war or in an aggressive theatre at this present time.

My first question really deals with that date and how many people have been affected. They were sent to Korea as of that date and therefore disallowed from war veterans allowance after they came back.

My second question is, in light of the declining number of Canadian veterans, could there not be a clause to include these people that would have at least gone to the end of the Korean war? In a letter to me from the minister it says: "The courage of the Merchant Marine is well documented. The service they rendered to the war effort is undeniable and all Canadians are grateful for their work. However, many veterans who served with the Armed Forces during wartime are still not eligible for the VIP program. I refer to the people who went to Korea as such".

I would like to know if the minister is aware of the numbers of the merchant marine who might today still be around to be able to take advantage of the VIP program but, more important, how many Koreans veterans were denied the benefits of the War Veterans Allowance Program?

Mr. Merrithew: Mr. Chairman, questions on legislation such as this quite often refer to items which are not in the bill.

I might add that the questions do not even pertain to clause 1, but I will undertake to get those figures. There are some very good reasons why that date was chosen or else it would not have been chosen. I will undertake to get that. Naturally I would not have those kinds of figures at my fingertips at this time.

Mrs. Campbell (South West Nova): I think clause 1 allows us to question all parts of the bill. All I am asking the minister is why these people were excluded in these amendments in the bill before the House. I was just wondering if he had some explanation, besides just no explanation, as to why we had a cut-off date. It is very important at this time in Canada's history as we send troops over to the Persian Gulf who go not knowing what their rights or benefits are. I know it can be passed by Parliament retroactively as it was done in the Korean war and the date was selected. I know that there are veterans who were hurt by that cut-off date.

It just seems to me as we have this omnibus bill helping veterans—and I have nothing to say against the bill—why we could not include the few veterans who are not included for those benefits?

Mr. Merrithew: Mr. Chairman, I fully realize that one can discuss many items under Clause 1. The important thing is the date that was chosen. I suspect, it was the date of the signing of the truce. There were quite a few veterans of course who served in the Third Battalion that went over after that signing of the truce. I would know many of them personally.

Again, I cannot get the numbers the hon. members has asked for and I would suggest that we could discuss that at a future time. If she wishes, I will put it in writing. I will be glad to find those numbers, but I do not have those at my fingertips at this time.

The Deputy Chairman: Perhaps the Chair can help the House. The clauses can be divided into blocks as follows. Clauses 1 to 3 can be approved in one block, and so on. We will approve clauses 1 to 3 as one block right now.

Mrs. Campbell (South West Nova): I rise on a point of order, Mr. Chairman. I believe that once we leave clause 1, one cannot talk in generalities on the bill. Is that not correct? One has to then speak on the clause.

The Deputy Chairman: This is true, but the Chair was just trying to be helpful. We will continue with clause 1, the hon. member for Beaches—Woodbine.

Mr. Young (Beaches—Woodbine): Mr. Chairman, while on clause 1, I want to make reference to the war veterans allowance.

As the minister knows, funds are fairly tight at the present time in the federal government and any further drain on benefits available under legislation affecting veterans is of concern to all of us.

Is the minister aware that, three days before Remembrance Day, there are some 40 commissionaires, who are all veterans and who work at the Toronto Pearson International Airport, who have been given termination of employment notices? I understand that these notices have been given to more commissionaires across the country. Is the minister aware of what the drain will be on the war veterans allowance for these elderly veterans who will no longer be employed by the federal government because of cutbacks?

Mr. Merrithew: Mr. Chairman, the hon. member did give me notice of this. Unfortunately, it was well into the middle of Question Period and I was preoccupied by many other problems during that time, as he might well imagine. I did try to find out more about it by sending out for information.

I am told that the Corps of Commissionaires have a contract with the RCMP and the RCMP has indicated that, due to budget problems, it is not going to renew the contracts for a certain part of that. While it is regrettable, I will undertake to pursue the matter with the Solicitor General to see if we can get more details about it.

Mr. Young (Beaches—Woodbine): I appreciate the minister's response, Mr. Chairman, which is in the tradition of veterans affairs ministers around here. I would simply encourage him to do that, to lessen the anxiety that these veterans have at the present time.

Mr. Benjamin: Mr. Chairman, I wish to make a quick point that the minister may want to examine. The Corps of Commissionaires and all security services are the responsibility of the Department of Transport. The Department of Transport has delegated the handling of the Corps of Commissionaires to the RCMP, but it is still the responsibility of the Department of Transport and I do not think they should get that kind of treatment.

Mr. Lewis: Mr. Chairman, I would like to advise the House that the Minister of Veterans Affairs did tell me that the matter was going to be raised. We certainly appreciated the notice, because it gave us an opportunity to do a quick investigation into the situation.

I should tell my hon. friend at this moment it is my personal opinion, and I will get to it one of these days, that a lot more work could be done around airports by commissionaires than the RCMP. That happens to be a view I hold. However, from the security aspect of it, the RCMP in its wisdom uses commissionaires, which I fully encourage. I do not know anything more than the specifics which the hon. minister gave to the House. As has been indicated, we will certainly look into it further.

• (1650)

The Deputy Chairman: Shall Clause 1 carry?

Some hon. members: Agreed.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

On Clause 4

The Deputy Chairman: We have an amendment to clause 4.

Mr. Merrithew: Mr. Chairman, I believe you will receive the unanimous consent of the Committee of the Whole to include all of those ten amendments to be read automatically into the motion amending clauses as we come to them. So, we would assume Clause 4 would read "Clause 4 as amended".

The Deputy Chairman: Shall the amendment carry?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 4, as amended, carry?

Some hon. members: Agreed.

Clause 4, as amended, agreed to.

Clauses 5 to 7 inclusive agreed to.

The Deputy Chairman: There are two amendments to Clause 8. Shall the clause, as amended, carry?

Some hon. members: Agreed.

Clause 8, as amended, agreed to.

Clauses 9 to 14 inclusive agreed to.

The Deputy Chairman: There is an amendment to Clause 15. Shall the clause, as amended, carry?

Some hon. members: Agreed.

Clause 15, as amended, agreed to.

On Clause 16

Mr. Merrithew: Mr. Chairman, we have had discussions, of course, with the veterans groups as we indicated prior to the introduction of this bill. This was meant to cover all aspects of retroactivity. The veterans groups indicated some concern with that. We think that, because of their concern, it would be better at this time that we delete Clauses 16 and 24. The government will vote against Clauses 16 and 24 since amendments are not in order.

The Deputy Chairman: Are Clauses 16 and 24 negatived on division?

Mr. Benjamin: Let us get unanimous consent first. If it is withdrawn, we have to have a vote.

The Deputy Chairman: Let us do it this way. Is Clauses 16, first, negatived on division?

Some hon. members: Agreed.

Clause 16 negatived.

Clauses 17 to 23 inclusive agreed to.

Clause 24 negatived.

Clauses 25 to 27 inclusive agreed to.

On Clause 28

The Deputy Chairman: On Clause 28, there is an amendment. Is the amendment agreed to?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 28, as amended, carry?

Clause 28, as amended, agreed to.

On Clause 29

The Deputy Chairman: Clause 29 has an amendment. Is the amendment agreed to?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 29, as amended, carry?

Some hon. members: Agreed.

Clause 29, as amended, agreed to.

On Clause 30

The Deputy Chairman: Clause 30 has an amendment. Is it agreed?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 30, as amended, carry?

Some hon. members: Agreed.

Clause 30, as amended, agreed to.

On Clause 31

The Deputy Chairman: Clause 31 has an amendment. Is it agreed?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 31, as amended, carry?

Some hon. members: Agreed.

Clause 31, as amended, agreed to.

Clauses 32 to 64 inclusive agreed to.

On Clause 65

The Deputy Chairman: There is an amendment to Clause 65. Is it agreed?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 65, as amended, carry?

Some hon. members: Agreed.

Clause 65, as amended, agreed to.

On Clause 66

The Deputy Chairman: Clause 66 has an amendment. Is it agreed?

Some hon. members: Agreed.

The Deputy Chairman: Shall Clause 66, as amended, carry?

Some hon. members: Agreed.

Clause 66, as amended, agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Merrithew moved that the bill, as amended, be concurred in.

Mr. Merrithew moved that the bill, as amended, be read the third time and passed.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I would like to say that we did a good stroke of business today. I want to assure the minister that the matters we raised earlier this day will not be dropped and he will be hearing about them some more.

I also want to thank the minister. He was kind enough to send me some notes to use for a response to his statement today. He does not know me well enough because no one has ever found me at a loss for words on any subject. It was a nice gesture for him to make. I did not use them, but maybe I will save them for next year.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, I would like to thank the critics, particularly, and members of the House. I agree with the hon. member from Regina—Lumsden and with my critic from the Liberal Party, the member for Hillsborough, in whose riding my department resides. I thank them personally for their co–operation.

The veterans groups across Canada have watched very closely what has happened. I think we have shown them an exercise in consultation and listening. What we have done is good for them and good for their colleagues. I fully agree that, while we have not done everything we can do as yet, the eight new improvements we have announced since June and what is included in Bill C–87 will bode well for the welfare of Veterans.

Mr. George Proud (Hillsborough): Mr. Speaker, as the hon. member for Regina—Lumsden said, we have done a lot of work in a short period of time. I believe we have a lot of good things here for the veterans. We have a lot more things that have to be worked on.

I am pleased that a study group has been established. I look forward to many of the meetings that this group will be having in the upcoming months and years to participate in this.

My feeling is that the number of veterans are decreasing. Therefore, the amounts of money should increase and more people should be receiving the benefits as time goes on for many of the problems they have had since the Korean War, particularly, the latest group of them. We have to look to the people who will be coming back from whatever takes place in the gulf and other areas that may continue. I just want to say that I appreciate having the opportunity to participate in this debate and in the Committee of the Whole today. We have accomplished much, but we have much, much further to go.

• (1700)

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 16, consideration of the motion of Mr. Young (Beaches—Woodbine) that Bill C-225, an act to amend the Public Service Employment Act (staff of members of the House of Commons), be read the second time and referred to a legislative committee.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, it is indeed a pleasure to rise and speak briefly on Bill C-225, which was brought to this House through the private members' system by the hon. member for Beaches—Woodbine.

This bill has a long and honourable history in that it goes back to 1984, when it was first introduced by the then member for Lachine, Rod Blaker. At that time, it came out of an all-committee discussion and was backed by members of all parties in that committee because there was a feeling that something had to be done with respect to the staff of members of Parliament, the people who work for MPs.

The motion was brought forward by the hon. member for Beaches—Woodbine to the committee. Again there was a recognition that certainly the situation had changed over the years in respect of the employment status of people who work for members of Parliament.

In years past, when there was a much smaller staff, there was a revolving pool of staff members here on the Hill and it operated like the Public Service does, except that they worked continuously in members' offices, worked for members from different parties and served as a pool of experienced people. A lot of their work was much less political, perhaps, than what it is today. It was basic research, secretarial, and so on.

With the increase in members' staffs, obviously there was a need to do something. The all-party committee recognized this and the hon. member for Beaches—Woodbine brought forward this motion. I think it has reached its intended objectives. It has forced members to focus on the whole question of staff relations here on the Hill, to look at how they are handling their own staff relations, how their caucus handles staff relations, and I think some very useful debate, inside and outside of the House, has occurred as a result of this bill having been put forward.

I think there is still broad support for the principles that motivated this bill. In other words, there needs to be some protection for workers who are employees of members of Parliament. In other words, they cannot simply be there, subject to the political whims and so on that are so much a part of this business and not even be able to avail themselves of the basic employment rights that members in any other sector, doing the same kind of work, would have with respect to working conditions and so on.

In consultation with the member for Beaches—Woodbine, it seemed to us that there had been some misunderstanding of the intent of this bill as shown by some of the references made by other members in the debate and other comment on this bill, that somehow or other its effect would be to entrench another level of privilege into the House of Commons system and that it might create some unfair advantages. In other words, the technical aspects of this bill had not been really solidly addressed.

I think the hon. member for Beaches—Woodbine drew attention to that in his remarks on October 16 when he said that there are some flaws in this bill and that he recognized that they can be corrected in committee. He said too that he recognized that there are some weaknesses in the language of the original bill as it was drafted in 1984. He said he would be prepared to work with the committee to strengthen the language in the bill. He said:

> I would hope that we could perhaps have some witnesses from the Public Service unions, even some members of the staff of members of the House of Commons, and any others who may be interested in having some input into making the bill say what it is we mean it to say.

My own perspective on the question with reference to the member for Beaches—Woodbine is that we are making it possible for the staff members of members of Parliament to be able to bargain collectively and to have recognition of their rights to do so.

We have attempted to do that within the New Democratic Party caucus. We like to think that we take that kind of thing seriously and we have tried hard to make it work. On balance, it surely can be said that our experience has been that the pluses have far outweighed the minuses. We are very happy with our experiment with collective bargaining for our staff members. We feel that it would certainly be useful to members of other caucuses to examine this concept as well.

In this day and age where there are all a lot of sophisticated bargaining techniques and contracts, the special circumstances which pertain to the people who work for members of Parliament can certainly be addressed in the collective bargaining context. What it needs is some legitimization through legislation.

There I would like to move, seconded by the hon. member for Kamloops:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> Bill C-22, an act to amend the Public Service Employment Act (staff of Members of the House of Commons) be not now read a second time but that the order be discharged, the bill withdrawn, and the subject matter thereof referred to the Standing Committee on Consumer and Corporate Affairs and Government Operations.

I would ask all members to support this amendment.

Mr. David Bjornson (Selkirk—Red River): Mr. Speaker, it is with pleasure that I rise today to speak on the bill now before the House in this Private Members' hour. I am somewhat concerned about what the amendment actually will entail, and how far I should really go in my comments.

This is a bill to extend to the staff members of the House of Commons priority to be appointed to the Public Service. This priority will take effect when their employment is lost as a result of members of Parliament ceasing to be members of Parliament.

Unlike a number of bills which come forth during Private Members' hour, this is one which touches all of us directly in our roles as members of Parliament. Actually, it touches us in several ways and for this reason I would like to add a few remarks to the discussion today.

This particular piece of proposed legislation is designed to provide equitable treatment to all staff members of the House of Commons, that very noble and honourable staff that serves us both in our constituencies and here in Ottawa. That staff on many occasions serves as the hands on link between ourselves and those people we represent for this honourable House.

Before rising to make these remarks today, I thought very carefully about the stated principle underlying this bill, that of equity or equality of treatment. Indeed, the bill manifests to provide equitable treatment for the staffs of members of the House of Commons in relation to the treatment afforded to some parliamentary officers.

I asked myself if the reason such a priority was not afforded to the staff of the members of the House of Commons was that at the time of the legislation was put in place in 1966 and 1967, it was not foreseen that members of the House would have their own staffs.

While on the surface this may be appear to be the case, I cannot think of any point in Canadian history where a member of the House did not need staff back in the constituency, particularly at a time when transportation was not at the stage that it is today.

What may be different is that they were not formally recognized as staff. There is no question in my mind that the staff in my office, and indeed in the offices of other members of this House, are extremely competent people and would be an asset to the Public Service of Canada.

The question of equality of treatment again is one which is very prominent and prevalent in the minds of Canadians these days, as it has been for quite a while. We in this House are sometimes likened to those living in a fishbowl, subject to scrutiny from all sides and from top to bottom. One must ask how the public would perceive this proposal, and whether it would be seen not as an issue of providing equitable treatment but rather as a form of preferential treatment for a select group.

• (1710)

The issue of equality is an important one. However, I must note that I would be gravely concerned if, in an attempt to provide what one might call equity of treatment, the public were to view this as an attempt to provide preferential treatment under a different guise. The proposal would provide a priority for appointment to the Public Service without competition and in priority to almost every other person in Canada.

There is no question that we, as members of the House of Commons, owe the fact that we are where we are because of those who have served us so well and who continue to service us often times through successive elections and through successive sittings of the House. Indeed, there are some members of the House who have been in such roles for the last 20 to 25 years. As was noted today, there were four members honoured by the fact that they have had 25 consistent years here in the House.

To them, we have an ongoing debt of gratitude. What perplexes me, however, is the concern that, in attempting to provide this group with a provision that may be only a token of their worth, we might unwittingly expose them to unfair criticism for being privy to what some might call a "back door route" to the Public Service.

Is the provision of a priority for appointment to the Public Service the proper course, or is it that some changes to the provisions in the House of Commons staff rules might be more appropriate?

In the research that I have been able to do on this topic, I have not been able to determine with any certainty whether in the minds of the members of the House at the time the Public Service Employment Act was enacted, the reason that this priority was not extended to the staff of members of the House was because such staff was not officially recognized at that time.

I would note that when the legislation was enacted, there was an accompanying clause introduced in the legislation stating quite clearly—at least this appeared to be the statement at the time: "no employee shall (a) engage in work for, on behalf of or against a candidate for election as a member of the House of Commons,—or engage in work for, on behalf of or against a political party;".

I do not want to dwell on this point because I understand that this particular section of the Public Service Employment Act is currently under review in the Supreme Court. I only wish to indicate that over the past few years, Public Service unions have put considerable pressure on the government to loosen the restrictions on the political activities of public servants.

Indeed, our government is on record as supporting the view that any restrictions on the political activities of public servants should be no greater than are necessary to maintain a politically neutral Public Service. The challenge to date has been to determine just where that boundary lies.

The section of the Public Service Employment Act enacted in 1967, that the bill before us today proposes to amend, represented a major step forward in opening the way for federal public servants to participate in the political process.

This legislation was based on the recommendations of a joint committee of the House of Commons and the Senate on employer-employee relations in the federal public service. While retaining the restrictions on working for, on behalf of, or against a political party or candidate for election, the legislation specified that an employee did not contravene the prohibition by attending a political meeting or by contributing money to the fund of a political party or of a candidate.

I would like to draw my remarks to a close with the observation that over time in Canada, restrictions were placed on the ability of public servants to participate in the political process. The restrictions imposed today are fewer than they were in the earlier days of the Civil Service Act, although even these have been the subject of challenge.

The rationale for restrictions has also evolved from being an attempt to remove a form of patronage to addressing the concern that involvement in political activity by public servants would call into question by the public and by political and administrative superiors the confidence in the integrity and impartiality of of the Public Service from the development end through to delivery.

We in Canada have come a long way in this area. There is absolutely no doubt in my mind that the loyal staff who have served me so well and continue to do so would and could, if they determined to pursue a career in the Public Service, do so in a manner which will bring credit upon the service and upon themselves.

It would trouble me greatly if the credit that these people so deservedly merit were to be denied them on the grounds, however unsubstantiated, that they gained entry to the Public Service of Canada through what some people have called the back door route.

The Acting Speaker (Mr. Paproski): I have just reviewed the amendment to the Public Service Employment Act. The debate is on the amendment.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I welcome this opportunity to speak to a bill which I think is absolutely gross, and that is the amendment to the Public Service Employment Act proposed by my colleague from the New Democratic Party.

Bill C-225 proposes to amend the Public Service Employment Act and give to members' staff certain rights and privileges which Public Service employees do not enjoy.

I think this is positively intriguing, to say the least, and it makes me wonder about the principles of the New Democratic Party which is always talking about defending the rights of workers, and then all of a sudden they blatantly ignore this principle.

We are managers and, in fact, the most senior public servants, since we make decisions concerning the Public Service. And here we are, giving our own staff preferential treatment!

Mr. Speaker, I think this is an aberration!

[*English*]

Like those of my colleagues who have spoken before me, I have the greatest regard for the staff of members of Parliament, especially my own. We are not easy to work with. Our schedules are very demanding. There are the many added stresses brought on by rushed deadlines and the need to serve a large number of constituents with a great variety of problems.

Having said this, I must also recognize the tremendous effort of Canada's public servants, many of whom live in my riding of Carleton—Gloucester.

The act governing appointments to the Public Service is presently known as the Public Service Employment Act. It was enacted almost 22 years ago and may not be entirely relevant today. However, it has proven to be an act which has guaranteed that the Public Service remains neutral and free from political intervention. I believe that Canada is a tremendous role model in this regard. As governments change and new ministers head different departments, it is reassuring that they are given unbiased and politically unblemished information about the affairs of state.

There are three conditions mentioned in the bill for former employees of members to obtain priority without competition.

[*Translation*]

Without competition, I think that is totally unacceptable. This is even more surprising, coming from a party that is constantly bragging about defending the rights of workers. And now they turn around and deny their own Public Service fair treatment. I think this is grossly unfair.

The conditions for eligibility would be as follows:

[*English*]

The person must have been an employee of the Public Service immediately before becoming an employee of a member of Parliament. While being employed in the office of a member of Parliament, the employee must have qualified for appointment under the Public Service Employment Act. The employee must have been employed by a member of Parliament for at least three years. I say, so what? What is this all about?

• (1720)

[*Translation*]

This is preferential treatment! This is not right, and it is unfair, as far as I am concerned.

[*English*]

It is my contention that, even if all these preconditions are fulfilled, giving these very dedicated employees such preferential treatment goes completely against the idea that an employee of the Public Service will be given his or her due reward because of merit.

As well, there is something that I believe some other members who have spoken to the bill have missed. Those of our employees who seek entry into the Public Service of Canada, following being employed by us, would be insulted to think that they would need preferential treatment. I have asked employees of members of Parliament, including my own, and they tell me that they can take the heat, that they can take the competition, that they are qualified. They have said that they would go to the race track in terms of the competition and stand in line with everyone else. They were absolutely insulted with the suggestion that they would need help, preferential treatment, political push to get into another job.

There is also a problem here with public perception. This is a difficult time for all politicians. The public would and should not stand for this. Opening the door to parliamentary assistants without competition—can you imagine that, Mr. Speaker—would be seen as an extension of the powers of members of Parliament. We must not be seen as just looking after our own—

[*Translation*]

—the New Democratic Party seems to want to do. They are trying to protect their people. But what are they doing to protect the workers who got jobs through competitions? I think this attitude is entirely wrong.

[*English*]

These are tough economic times. Many Canadians are looking for work. One of the ways in which the Public Service Commission has dealt with this government downsizing policy and the disastrous effect which it has had on employees is the work force adjustment policy. How will it seem to Public Service employees made redundant by the present Conservative government when our own employees are allowed to have jobs before those who have been let go because of bad government policy?

Some of my colleagues may make the argument that these conditions addressed in this bill already exist in ministers' offices, as well as in the office of the Leader of the Government in the Senate and the Leader of the Opposition in the House of Commons and the Senate. I submit that two wrongs do not make a right. This government patronage policy is wrong. Let us not extend it further by letting the NDP have this odd way of proceeding—

The Acting Speaker (Mr. Paproski): If the hon. member has another minute or so, I will recognize him after we return from Royal Assent.

* * *

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1730)

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

> Bill C-86, an act to amend the Income Tax Act (child tax credit)—Chapter 42.

Private Members' Business

PRIVATE MEMBERS' BUSINESS—BILLS

[*Translation*]

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Young (Beaches—Woodbine) that Bill C-225, an Act to amend the Public Service Employment Act (staff of Members of the House of Commons), be read the second time and referred to a legislative committee, and on the amendment of Mr. Funk (p. 15352).

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I thank you for allowing me to continue my remarks as I object to this NDP bill suggesting a double standard with regard to the hiring of Public Service employees.

[*English*]

The Public Service of Canada is presently embarking on an initiative called Public Service 2000. It has been criticized for not having taken into account the ideas of employees' representatives. Let us not make another mistake by allowing the Public Service Employment Act to be amended and benefits such as these extended without a thorough investigation of all the ramifications included in the bill by parliamentary committee.

In closing, I would like to add that in no way do I wish to downplay the importance of our own employees at work on the Hill or in our ridings. But let it not be at the expense of a dedicated professional and non-partisan Public Service. Surely there must be more fair and creative ways of dealing with the future of those who work so diligently for members of Parliament. The normal route to a position in the Public Service is a competition based on merit. We must not impose any impediments to this process by attempting to do something for one group. I feel we are neglecting the rights of others and at the same time insinuating that our former employees are not educated, professional and motivated enough to obtain employment in a fair competition.

[*Translation*]

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I am pleased to take part in this debate which I feel is very important because it deals with our own staff, the staff of Members of the House of Commons. I wish first of all to congratulate the Hon. Member for Beaches—Woodbine for introducing Bill C-225.

In my opinion, Mr. Speaker, the staff of the Members of the House of Commons are *de facto* public servants. The fact is that, more often than not, they are already hired and considered as such, except that they do not enjoy the same security as Public Service employees.

Mr. Speaker, we must be prompted by a sense of fairness and justice. Not so long ago, as members of the House, we granted ourselves some benefits, unquestionably well-deserved—and unquestionably also far from what we should get, when we compare our duties as parliamentarians with those of businessmen and professionals. It seems to me, therefore, that we deserve a better pay equity, and probably better job security and a better pension scheme as well.

Now, since we must decide that what is not good for us is not good either for our neighbour, and what is good for us is also good for our neighbour, we must realize that very often, if not always, the performance level of an hon. member depends to a large extent on the performance level of his or her personnel. Mr. Speaker, there is not a single member in this House who although well-intentioned could do a very good job, unless he or she has the dedicated support of a qualified and competent staff.

Mr. Speaker, I wish to pay tribute to my staff who so far have provided me with invaluable service. Very often, no mention is made of their contribution. As members of this House, we get all the benefits and honours, while our staff are really doing the job.

Consequently, if we really want to be fair and if we want to obtain the same treatment and security for our staff that we want for ourselves, it seems to me that Bill C-225 goes a long way toward correcting this inequity. If we think that our staff are already doing the same job as Public Service employees, it seems to me that they should be granted certain privileges or benefits.

After three years, an employee in the Public Service of Canada is automatically granted permanent status. So why should the same treatment not be given to the staff of parliamentarians? It seems to me this would make it easier for us to hire better qualified people who would feel more secure and work harder still. In short, that would enhance the quality of our own work as members.

Keep in mind that our employees have family responsibilities just like we do. They have to earn a living and pay monthly bills as we do. Before deciding to work for a member or seek employment elsewhere they have to take a number of factors into account, such as how much they will be paid, how secure their job will be and what happen if they can no longer work for this or that member as a result of an electoral defeat or some other event. Let us be frank about it, these employees are at our mercy. It is very easy for any member to sack an employee, for he or she can be laid off practically overnight with little or no recourse.

In the name of fairness and equity, Mr. Speaker, I support Bill C-25.

• (1740)

I am sure that if all members of the House were to consider the matter very carefully they would have to reach the same conclusion.

If we expect our employees to be dedicated, industrious and fully supportive, and when the time comes to hire new staff and we want to get the best available, Mr. Speaker, we will have to offer them a minimum of security. The money they earn is not all that much! They certainly cannot expect to become rich after a few years, let alone retire without a worry in the world.

But at least, Mr. Speaker, if I may put it that way, we should have the decency and compassion to make sure that they can look further than the next electoral campaign. The employee should at least know for sure that if his boss is defeated or fires him—again that is another possibility—he will not be left pounding the pavement, he will have something else to do. He should be safe in the knowledge that he can find employment in a related field, because the work they do for members is similar to yet different from the duties of public servants.

A moment ago I heard one of my colleagues say that it is unfair because our employees do not have to go through competitions or screenings and write exams. Of course they do. Mr. Speaker! The screening is done by the member. Before hiring a prospective employee, the member examines his work credentials and his background. Otherwise would it not be like saying the member lacks judgment? That is what it boils down to! The hon. member said that he could not see that because these employees were not administered exams like the others to evaluate their skills. That is to say that he cannot be the judge of that because he is the one who did the hiring.

It seems a little contradictory to me, Mr. Speaker. Why disagree if we consider ourselves as intelligent—I think we are—and fair employers! So, the test already took place, at the time the member decided to hire the employee. Therefore, the employee who passed the test successfully then will not be less intelligent the day he or she is laid-off.

There is another point to consider, Mr. Speaker, and it is that these employees, our employees, share our emotions. Sometimes, they work 40 or 45 hours a week, although they are paid for 30. I know for a fact that my employees are still at work as we speak, Mr. Speaker, while civil servants went home an hour or two ago. Why not recognize the contribution they are making to our country?

Mr. Speaker, the fact that a bill was introduced by the government or by an opposition member should be irrelevant. We should set aside partisanship and consider this bill on its merits instead of rejecting it on the sole ground that it was introduced by an opposition member. That would be the equitable way of dealing with it, Mr. Speaker.

I wish therefore to propose a small amendment, if I may. I know that perfection is impossible and that this bill is not perfect, but I believe the following amendment—and it will be the only one—is relevant. I am against increasing government expenditures when a number of civil servants are already being paid to do nothing. These resources should be used before hiring people from our offices. With this small amendment, the bill would be perfectly satisfactory to me. In closing, I invite my collegues to support this bill in the name of fairness.

[*English*]

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I am pleased to have the opportunity this afternoon to participate in this debate.

I would like to commence by paying tribute to my own staff. This bill is about providing some measure of protection or priority for the future careers of staff who support members of Parliament. I would have to say, knowing the insecurity of political life from my own point of view and as all hon. members will acknowledge, we do not always look to the future with a great sense of security.

That same position and that same concern is obviously one which is in the minds of our staff much of the time. Yet, to their credit, certainly in the case of my own staff, it is a subject that has been discussed at the time of their employment. They know in the beginning that there is a sense of insecurity to political life and they have accepted that risk as they have accepted the job.

Having said that, I would say that both here in Ottawa and in my constituency, in Fredericton, I feel blessed with the services of four people who serve me well, but more particularly, who serve my constituency and my constituents extremely well.

The subject of employment in the Public Service and the establishment of any kind of priority for any person in terms of seeking a Public Service job must be underlined with the fact that there is no activity in a constituency office—certainly in my constituency office—that is so numerous and takes more time than attempting to serve those requests from citizens who are seeking employment. The days when politicians could point people in the direction of jobs or could engineer employment are properly gone. Employment in the Public Service today is an open and competitive process where merit counts above all other circumstances. In my view, that is the way it should be.

It is with some sense of apprehension and concern that I would stand and address this bill. I am concerned, on the one hand, that I would offend my own employees and all who serve members of Parliament so well by being reluctant to support a position of priority for them in their circumstances. On the other hand, this is balanced by the responsibility I have to so many citizens who desire to work in government services and who do not have the opportunity and to whom I have to say daily that I cannot provide that opportunity directly. The best I can do is to serve as a reference or help process their application to ensure that they are instructed in the right way to approach government service.

My apprehension about this bill comes from the general principle underlying the proposal and, more particularly, the details of the bill. I have no quarrel with the basic original intent, but I have considerable misgivings about the way in which the bill has now been expanded.

What was the original intent of the bill? The original intent of the bill has merit. We all feel a sense of responsibility to our employees and the fact that they are in a very insecure position. When we compare that sense of responsibility and that desire to provide some direction for their future, it must be compared with what has currently been drafted. As I read that intent in the explanatory note of this bill, the amendment seems to target a very specific group.

The original intent targeted those with long service on the Hill on behalf of members. Those people, when their member ceases to be a member by virtue of resignation, death, or defeat at the polls, are no longer in a position to be employable. For people who have such long service, there is a very special case. The original proposal, as I understood it, was to afford a measure of protection to those long service staffers. They would then have some facilitation for their possible entry into the Public Service, providing they were appropriately qualified.

If the intent of this bill is to continue to afford such a measure to protection to such people, then I would continue to support that intent. However, I feel that this bill has become far more sweeping in its content and has gone far beyond what was originally intended.

The concept of a person employed in the office of a member of the House of Commons is not defined. I think we would all presume that reference is to members, staff here in Ottawa. It could just as easily be employees who are in the constituency office. This does not appear to be clearly specified and there is a need for clarity there.

I believe that to see persons who have served members and constituents for only three years as necessarily deserving a fast track into the Public Service seems like a very short time.

• (1750)

Worded as the bill is at present, the member's employee with only three years and one month of service to that member would automatically get priority for appointment to the Public Service. That would be not only over other public servants and other Canadians, but even over career public servants of perhaps 20 or 25 years who had suffered the unfortunate circumstance of a lay-off.

As you know, Mr. Speaker, the government in the past five or six years has deliberately at the request of Canadians, cut the size of the Public Service, cut the cost of government, and in the process eliminated well over 12,000 permanent jobs. There are many public servants who today are in that lay-off position with supposed priority for re-entry into the Public Service. It does not seem fair that a staffer in the office of a member of Parliament would automatically have priority over those long service employees who have been caught in the unfortunate vagaries of the downsizing of the Public Service.

Again, what does the bill mean when it talks of an employee? Lacking a better definition one must do what the courts of this land do and revert to the dictionary. There, Webster states that it is a person who is employed by another, usually for wages or salary, and in a position below the executive level.

Reverting to the bill's original intent, I have little doubt that the concept was intended for members who have been full-time, permanent, 40 hours a week, in the service of a member here on the Hill. As it reads at the moment, however, a person who has only been working one day a week, or for that matter, perhaps even a few hours a week in a member's office, would be eligible for this priority. Once again, that does not seem fair and certainly requires clarity and elaboration.

What does the word "entitlement" mean?

Mr. Funk: I rise on a point of order, Mr. Speaker. I hesitate to interrupt the member mid-flight, but I would like to point out to him, as I am sure he might have forgotten, that we are debating an amendment at this point which in fact withdraws this bill and refers it to a committee where the principles can be discussed, but where the objectionable aspect—

The Acting Speaker (Mr. Paproski): I am sure the hon. member realizes that. I am also sure that he will speak to that.

Mr. Bird: Thank you very much, Mr. Speaker. I am moving my case in that direction, and I appreciate the intervention of the hon. member.

The very fact that there are so many areas of clarification required brings me to the point that I do not think merely referring it to a committee and then bringing it back is adequate. I believe this bill needs a lot more attention, philosophically and in all kinds of detail.

In closing, I would like to recap some of the serious flaws that I have identified—and I hope you will give me time for the interruption that has occurred in my otherwise quite well organized remarks.

First, I feel that the original intent behind this proposal has become muddied and widened far beyond what was originally conceived, and I do not think an amendment to review it in committee would be a sound approach.

Second, I would like it clarified that this priority only becomes operative when the member by whom the affected individual is employed ceases, for whatever reason, to be a member. It should not be accessible by someone who has simply resigned or, in the extreme case, by someone who has been discharged for laziness, incompetence, or other misconduct.

Third, I believe this bill would only be applicable if it referred specifically to the Ottawa-based staff of members and, yet, as I think about that, I am not so sure that those who give their long service in the constituency should not also be considered. Again, I believe that perhaps it is more than just mere amendment and review that is required. The entire philosophy deserves some rethinking.

Fourth, I believe the concept of long service needs greater emphasis. Not only is the three-year qualification far too short, but under section 4.1(a) and 4.1(b), even this does not seem to be required.

Fifth, and I am coming to the end, I believe the concept of who is and who is not an employee requires clarification. To afford such protection to a person who has maintained only the most casual connection albeit for a three-year basis, would, in my opinion be intolerable.

Sixth, I have serious problems with the level of priority and the place of the proposed priority within the current priorities. In this regard I have two specific points to make. First, I would like to see this new priority given the lowest of the statutory priority considerations if the bill is passed, and, second, I would want the entitlement to be entitlement for consideration and not an entitlement for appointment.

To strike the balance between the intent and the bill, as it is presented, would be very difficult. There are employees representing us in the House of Commons who do deserve protection, priority, and understanding, but their experience should count in the final analysis and that should serve them well. Last, Mr. Speaker, we have to think of the other citizens of Canada, many of whom are in search of careers in the Public Service. For them the process is difficult, open, and competitive and that is the way it should be.

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I am pleased to rise to participate in the debate. I am a member of the privileges and elections committee, the same committee that made this bill votable. I would like for a brief moment or two to go over the process of choosing a private members' bill and in fact what private members' hour is all about, including what we are trying to achieve and what McGrath suggested we try to achieve through the reforms to the House of Commons.

As you know, we draw by putting members' names into a draw bin. If they have a bill or a motion we put their name into two separate draw bins. We draw one for bills and one for motions. We draw ten for each and we make three votable.

We made this one votable because we felt that it was correcting an oversight in 1967 when members did not have any staff. Many members were concerned about this. It was done on a non-partisan basis, basically to bring forward the issue for debate and discussion. It has been the subject of healthy debate.

As you know this bill was originally introduced by a Liberal member in 1984, debated, the election came and it died on the Order Paper. It now has been reintroduced by a New Democratic member of Parliament.

It is ironic that the New Democrats wanted this bill to come forward for a vote at the committee and now they are backing off a little bit saying, "let us refer it to committee to discuss the over-all principle". I would assume they are facing pressure from the unions.

One other thing I would like to comment on is that when private members' bills and motions reach the House of Commons they are not perfect. They are meant to come to a vote on the principle and then be repaired or fixed up in a committee. Of course this one, as the hon. member just enumerated, has many flaws, including putting members' staff at the top of the priority list. I accept his recommendation that maybe they should be put at the bottom of the priority list. Perhaps what we are seeking is that they not be given priority but consideration in the draw or consideration for jobs when they come up.

For example, we have a computer bank in the Public Service and for each job opportunity five or eight names are drawn. Perhaps we could put members' staff in among those five or eight names so they would have to go through the competition process. But they would at least get to the competition. I think that is what we want to see.

All bills that have previously come before this House and previously gone to a legislative committee have had extensive amendments. In fact some would argue that some of the bills have not been very recognizable when they came back to the House.

That is the process of private members' hour and it is a healthy process. The Hon. James McGrath in presenting the McGrath committee reforms, of which this government accepted many, wanted private members to have more input, which they do.

The second point I would like to make is that members' staff make a tremendous contribution to the House of Commons and to the Parliament of Canada in the service of public policy. Most members' staff would be an asset in the Public Service and the way this bill is worded it would be upon death or defeat. So very few would get that far. So we are not talking about crowding out civil servants. In fact I would submit that we do not want to crowd out any civil servants.

Mr. Speaker, I know the time of adjournment is approaching and I would like to continue on at the next hour for private members' bills.

The Acting Speaker (Mr. Paproski): The hon. member will have seven minutes remaining in the debate when the bill comes up again.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(3), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1800)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GOVERNMENT INFORMATION SYSTEMS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, a few days ago I asked a question of the Minister of Supply and Services concerning the Auditor General's report and the 14 points that he put forth touching on the security of our computers, the information that we have in the memory bank of all our computers. The answer that the minister gave me obviously did not suit me, which is why I am here today. I could not let this go by without bringing to his attention some very important facts about the whole matter.

I do not pretend in any way to be an expert in this field; far from it. It is highly complex and I know it is a very expensive system to operate. You do not need a college degree to realize the way the computer systems are set up with the memory banks that we have, the data base, and all the rest of it is highly complex and very expensive.

However, I have to draw to the attention of the government some points that are very important. After I heard the minister, I was in touch with a gentleman who is a recognized expert in the field. Of course, we looked at this very objectively and as you will see, Mr. Speaker, from the points I am bringing out, it is standard procedure in a way.

To begin with, I must say that after looking at the Auditor General's report, there is an element of neglect here, negligence if I may say so; negligence because it has been over five years that the Auditor General has been bringing attention to the fact that with all the data banks we have, it could literally cripple the operation of the government overnight if some kind of accident was to occur. Not necessarily all services could be affected, but a great number could be very much affected. It could cripple our whole system and it could be extremely expensive to get it back on track.

The reason why there is this negligence is the fact that there has been such a low priority given to the security aspect of our data banks. We have to remember today that more and more of our computer whizzes are out there and we are dealing with a lot of anonymous people who are becoming more and more capable with this computer age.

One term that the expert gave me was what he called the logical entrance whereby some people can actually get into a government data base, change the information that is in the data base on a particular individual, add information that is not there and should not be there obviously, or else simply take all the information in the data base and put it in their own memory bank. Needless to say, there is a question of confidentiality at play here and there is reason to be concerned. Those are the things that can happen, and it is a fact. I did not invent all this. This is a fact.

The expert said to me basically as it stands right now, it is as if we gave the keys to anybody passing by who knows how to operate a door. Therefore, with the lack of security we have, it would not be difficult to break into a lot of our data base information. That is factual. You would have to admit that if that is the case, it is not a very good management principle.

Look at our financial institutions. They manipulate a tremendous amount of information, highly confidential and they have taken upon themselves to have the best security possible. Still they manage to make money.

Obviously, there is a set standard that could be set up to protect the data bases that we have in the government; very important.

[*Translation*]

Mr. Speaker, after demonstrating the negligence in this area, and I am not saying the government is fully responsible, because the problem may go back ten years, but for the past five years the Auditor General has said the situation cannot go on like this.

I spoke to an expert, and I told him: I don't want a complex answer, I want to keep it very simple, but according to you—he had read the Auditor General's report and he was aware there was some lack of security— he made the following suggestions:

[*English*]

To begin with, he said we should have set standards of security. This could be done over a period of five years. Set standards, followed by a workable plan not too far in the future but within a reasonable amount of time. A work plan.

That should be approached, and it should be looked into immediately by our senior management in the government, especially Treasury Board because it holds the strings.

There is no doubt that it could be expensive business. Nevertheless, there is a work plan that could be out. We could do it over a period of time because security is the cost of doing business.

Finally, we have to remember that all this information is an asset. All the information is government asset. There is the old saying in French:

[*Translation*]

"*Celui qui possède l'information possède le pouvoir*".

Finally, Mr. Speaker, and very briefly, I do not think we should criticize without offering alternatives, but we must have a plan and deal with the problem before mistakes are made that may cost us very dearly and cause Canadians to have some very serious doubts about the security of our information.

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I welcome this opportunity today to respond to the question put by the hon. member for Gatineau—La Lièvre about government information systems.

[*English*]

Mr. Speaker, in response to the concern raised by the Auditor General in the past year, the department has taken the issue very seriously and moved to create the information management sector within the department.

This sector oversees the secure handling and storage of the government's data banks. We have moved to create a secure regime. This is not mentioned in the report.

[*Translation*]

Mr. Speaker, the security of our computer systems is extremely important to the Department of Supply and Services and to all government departments and agencies. I can assure the House and Canadians that very strict security measures have been taken to keep any risk or damage to our systems to an absolute minimum.

Increasingly, detailed emergency plans have been provided to ensure maintenance of the government's daily operations, in case of computer failure.

Mr. Speaker, I fully understand the hon. member's concerns. Computers now play an important role in our daily lives, and we are increasingly aware of the potential damage that could be caused by pirates and viruses.

However, although I understand his concerns, I think the hon. member should realize that security measures are in place to prevent any violation of the confidentiality and integrity of the full range of information processed by the government.

Mr. Speaker, as was previously mentioned in this House by the Minister of Supply and Services, there are regular security checks, not only of computers in government offices but also in the offices of businesses that deal with the government. Furthermore, as the minister also pointed out, only very low level intelligence or information that represents a very low security risk may be processed outside government offices.

Consequently, Mr. Speaker, I have no hesitation in stating before this House and before all Canadians that both government facilities and those of our suppliers are checked regularly and that security levels are maintained. Mr. Speaker, perhaps the fact that there has never been any serious damage to our systems reflects the effectiveness of our security policy and its successful implementation throughout our government services.

• (1810)

THE CITIZENS' FORUM ON THE FUTURE OF CANADA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, thank you for recognizing me on a current issue of great concern to Canadians. I am referring of course to the new commission, the Citizens' Forum, chaired by Mr. Keith Spicer. Made up of twelve members, this commission will be listening to the comments of Canadians on the future of our country.

In the House last Tuesday, November 5, I put a question to the Deputy Prime Minister to find out whether or not additional people would be appointed to the commission, the better to represent all Canadians who, like me for instance, felt somewhat left out in the make-up of the famous commission.

As you may recall, Mr. Speaker, in one of my questions to the government I enquired if there was room for people north of the 60th parallel, Canadian men and women who we all know are very ably represented here by my colleagues from Nunatsiaq and Western Arctic. I also asked: Is there room for francophones outside Quebec? Is there room on that commission to listen to the million Canadians who live outside Quebec and whose mother tongue happens to be French, an official language of this country? I also asked the Deputy Prime Minister if we could expect to see a wider spectrum of representatives of ethnic groups, because I think that is important when close to one third of our country is made up of new immigrants, Canadians who represent a rather large variety of world cultures and languages, so as I said I think it is important that these people as well be consulted about the future of this country. I was told that no one else could be added to the membership of the Citizens' Forum.

Well, the very next Sunday, before the National Convention of Italian Canadians in Toronto, the Prime Minister said that there might be room for additional appointments. I was rather surprised because of what I had been told a few days before. Yet, the Prime Minister had said: "Yes, there is room for additional appointments."

Later on, we learned that Chairman Spicer himself had been reported as confirming the statement made by the Deputy Prime Minister and the Secretary of State the previous day that there would be no new members. So, my question tonight to the Parliamentary Secretary is this: Are there going to be additional appointments to the Citizens' Forum? Could we have a clear, straightforward and precise answer to this question?

Second, how come the commission will not report to Parliament? It was a very specific question. Does the appointment of this commission means also that the government has abandonned its plans for reform? The House will remember that following the Oka incidents last Summer, the government had made the firm commitment to set up a commission to look into and possibly settle the land claims of our native citizens. Now we hear that the government has decided to put these concerns on the backburner while the Spicer Commission is sitting. My question to the Parliamentary Secretary is this: Is it true that the government is going to set aside these concerns which he feels are justified, for an indefinite period.

Third question: Is this new Spicer Commission a substitute for the commission this Tory government has promised on native affairs? We want to hear a straightforward yes or no. This way, the Natives and I will know where we stand.

Also, could the parliamentary secretary indicate if, with the setting up of this commission, we can expect in this country a reform of our institutions? For instance, would it be possible for the Senate, a major concern for a number of Canadians, to become a better Senate, the elected one we want, or will we still have to wait until the commission has completed its study?

Mr. Speaker, these questions stem from the appointement of this commission. I would not want the parliamentary secretary to answer all my questions tonight, but I should be quite satisfied if he could answer at least a couple of them.

[*English*]

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am pleased to respond to the address by the hon. member for Ottawa—Vanier.

A suggestion is being made that the advisory group be expanded by the addition of members from the north, from ethnic communities and from francophone minorities outside of Quebec. Perhaps from other groups as well.

I am sorry to have to say that the question betrays a failure to understand the innovative process the government has launched. The hon. member seems to have missed the point.

The key is that it is a citizens' forum in fact as well as in name. The word "citizen", and I will repeat "citizen", cannot be stressed too strongly. The forum is not intended to be an arena where elite representatives can debate once again among themselves. It is something quite different, a place where individual Canadians can speak out and engage in a dialogue among themselves. It is a place where individual Canadians can contribute their insight and their dreams in mapping a new national consensus.

As the Prime Minister pointed out when he announced in this House on November 1, the forum is an initiative for the people and of the people. I repeat, as the Prime Minister said, for the people and of the people.

This means that the 11 members of the advisory group are not there to represent a particular group. That is not the basis on which it is formed. They were chosen as distinguished Canadians who are committed to helping their fellow citizens to chart the path of Canada's future. This is why they are members of the advisory group. I would add that it is interesting that members selected on their basis of many ways do reflect, individually and collectively, Canada's diversity.

Their job is to listen and to facilitate a productive dialogue, not to defend the barricades on behalf of linguistic, ethnic, regional or other blocs. When they speak, they speak as Canadians sensitive to our unity as much as to our diversity.

The Prime Minister did indicate over the weekend that he was prepared to consider expanding the advisory group. He would listen carefully to any recommendations from Mr. Spicer that additional members be appointed. Surely, that is a normal procedure. If Mr. Spicer came back and said "We need more people", the Prime Minister would be duty bound to give that very serious consideration.

Canadians would expect that the Prime Minister do whatever was necessary to make the citizens' forum work. Mr. Spicer has now said publicly that he does not foresee a need for additional members. He points out, as I have tried to do, that the advisers do not hear as specific representatives of their community, but more as good listeners and communicators. I want to emphasize as good listeners. It was quoted in *The Citizen* November 7, so the question is now purely academic.

It should be clear for all that I have said—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired.

INDIAN AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I am pleased to have the opportunity to return to the issues I raised with the Minister of Indian Affairs and Northern Development on September 24. One of those issues was the land question of Oka—Kanesatake.

• (1820)

I had asked the minister that day about the status of the land which the government had acquired over the summer which was supposed to be transferred to the Mohawk people of Kanesatake. At the time I asked the question the land which had been bought was still in the hands of the government. My point, then, was that it has not yet been turned over to the Mohawk people. My point is still valid. The land still has not been turned over to the Mohawk people of Kanesatake.

Only two days ago, the Minister of Indian and Northern Affairs announced he was prepared to begin negotiations with the Kanesatake Mohawk negotiating committee. We, on this side of the House, welcome that announcement. It has been a long time coming.

As I have said on earlier occasions in this House, we wish the land issue at Kanesatake could have been settled without the violence we witnessed this summer. We wish the government would have made such an announcement in the spring of this year. Had it done so, the whole ugly episode of arms and soldiers in Oka and Kahnawake could have been avoided.

Nevertheless, at least some kind of process is beginning now; and I stress beginning. There is a long way to go with these negotiations. Land, housing, economic development, community infrastructure and self-government are among the agenda items.

We want these negotiations to start soon. We want them to go well. We hope that the government will conduct itself in these negotiations with fairness and justice. We want a just and fair resolution of this issue for the Mohawk people of Kanesetake. We want a just and fair settlement of the entire land claim of the Mohawk people of Kanesatake, which, as the government knows, encompasses much more than the 97 acres the government acquired this summer.

My question to the Minister of Indian Affairs and Northern Development on September 24 dealt as well with the government's general approach and attitude to aboriginal issues and aboriginal rights. I asked how we could be assured that the government would follow through on its promised aboriginal agenda, given its record of broken promises and unfulfilled obligations.

In recent days, doubt and confusion have surrounded the government's commitment to aboriginal issues. On September 25, the Prime Minister announced his government's new aboriginal agenda. That agenda, in his words, has four main pillars: land claims, the economic and social conditions on reserves, the relationship between aboriginal peoples and governments, and concerns of Canada's aboriginal peoples in contemporary Canadian life.

On November 1, the Prime Minister announced the establishment of the Citizens' Forum on Canada's Future, headed by Keith Spicer. There were no representatives from the northern territories appointed to the commission. Is it because, as the hon. member pointed out earlier, that this was a forum of distinguished Canadians? Is it because they could not find distinguished Canadians in the north? That is basically what he is saying.

The government has not listened to the appeals from this side of the House and from the north to appoint a northern resident to this commission. Once again, the north has been ignored. As I pointed out, the Prime Minister was quite prepared to consider it because he was under pressure from a certain ethnic group after apologising about past wrongs.

This past weekend, the government's federal–provincial relations minister said there will be no royal commission on aboriginal issues while the Citizen's Forum is at work. This royal commission had been promised to aboriginal people last June by the Prime Minister to try and entice their support for the Meech Lake Accord. When the accord died, so did the promised royal commission. Now it is clear that it will not happen, at least while the Citizen's Forum is at work.

Despite the government's promise to accelerate the settlement of land claims, yesterday it closed the door on most of the Dene and Métis in the Northwest Territories. They then got into pressure tactics because the Minister of Indian and Northern Affairs says that a freeze on development of land in the north Slave region will be lifted at the end of January. The development freeze was made to avoid jeopardizing the final land selection process. As soon as he announced that there would be not be any more negotiations, that land freeze was lifted. If that is not pressure tactics, then what is?

The government refuses to change its claims policy so that aboriginal people would no longer have to extinguish their aboriginal rights to achieve a settlement.

The government must recognize that there are serious problems with its comprehensive claims policy. These problems are not going to go away just because the government has agreed to negotiate more claims at a time, or because more resources will be devoted to these negotiations.

On this side of the House, we welcomed the Prime Minister's commitment to accelerate claim negotiations and devote more effort and resources to their settlement. But we were, and remain, skeptical about the extent of the commitment. We have heard such promises before. We have seen them broken. Not all the obstacles toward fair and just settlements have been removed.

The aspirations of aboriginal people in this country will continue to be frustrated unless the government shows, through real and positive action, that it is prepared to relinquish its control over the lives of aboriginal people.

Just to show the attitude of some of the members on the government side, two days ago the hon. member for Châteauguay announced that he was disappointed that the government paid $5.2 million to buy 39 hectares to give to the 750 Mohawks of the Kanesatake settlement. I agree that they should not have paid $5.2 million to the town. They should have given the land to the Mohawks, as well as pay $5.2 million for the use of that land over the last number of years.

This same hon. member also said: "The Indians are asking for three–quarters of Canada". I think that is being pretty generous.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, in response to the hon. member's words this evening, events of the past summer in Kanesatake have forced all Canadians to think deeply about their country and its future and about the values that we share as Canadians. We need to understand why things went wrong, and why desperate measures were taken to draw attention to issues that should have been settled through negotiations.

We have in our country a tradition of discussion, negotiation and compromise, a process that respects the views of others and recognizes that no one side has a monopoly on justice and virtue.

I want to remind members of the action that the government has taken recently. On Tuesday, the Minister of Indian Affairs and Northern Development announced that he has agreed to commence negotiations with the committee, composed of the coalition of Kanesatake community groups and, additionally, had invited the band council to name a representative to the community negotiating committee. This is a fulfilment of a commitment made during the crisis at Oka this summer. The minister met with the Honourable Christos Sirros, his Quebec counterpart, on November 2. Mr. Sirros indicated that Quebec is prepared to commence negotiations with the Kanesatake representatives and to express his willingness to allow representatives of the parish and municipality of Oka to be a part of the provincial negotiating contingent.

The federal government believes strongly that the community of Kanesatake, as a whole, must be a part of the decision-making and therefore a priority of the negotiators will be to develop a ratification process. Clearly, any agreement reached by the negotiators will be taken to the community for approval.

Items on the agenda will likely include the development of a unified land base for the Kanesatake community, including final disposition of the recently acquired 97 acres; the provision of housing, necessary community infrastructure and economic development at Kanesatake; the grievance of the Kanesatake Mohawks related to the former lands of the seigneury of the Lake of Two Mountains at Oka and, in particular, to the so-called "common lands"; and the development of self-government agreement with the Mohawks of Kanesatake.

The minister has introduced the chief federal negotiator, Bernard Roy, to convene the first meeting of the negotiators at the earliest possible date.

We are hopeful that the negotiations will lead to the agreements leading to peace and prosperity for the community of Kanesatake.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned, pursuant to order made on Wednesday, November 7, 1990, until Monday, November 19, 1990, at one o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Monday, November 19, 1990

The House met at 1 p.m.

Prayers

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

EDUCATION

POST-SECONDARY CREDITS

Mr. Ronald J. Duhamel (St. Boniface) moved:

That, in the opinion of this House, the government should consider creating a regulating body, through Canadian post-secondary institutions or other national organization(s), and create a standard for the transfer of credits in post-secondary education in so far as:

(a) the credentials of foreign students to Canadian colleges and universities;

(b) students changing from one Canadian university to another and one college to another, as well as transferring from a college to a university program, and vice-versa;

(c) degree students enrolling in a graduate or second undergraduate program; and

(d) work experience, as it relates to the obtaining of a diploma or degree program in a Canadian college or university.

He said: Mr. Speaker, I would like to make as certain as I can that we understand this motion. It is really an attempt to get people to look at the transfer of credits from one institution to another, from one level to the other, as well as look at the work experience one acquires that may be utilized to obtain a diploma or degree.

It also attempts to address the whole question of having people from other countries come into this country with their diplomas and their degrees and making sure that they are treated in a rational way.

[*Translation*]

My main concern is to simplify, if at all possible, the process we have at this time, and there is more than one, there are several.

I want to be sure the substance of the motion is properly understood, and I will read it again:

[*English*]

That, in the opinion of this House, the government should consider creating a regulating body, through Canadian post-secondary institutions or other national organization(s), and create a standard for the transfer of credits in post-secondary education in so far as:

Let me deal with this first paragraph: "should consider creating a regulating body". What is intended is that the government assist in the setting up of a body that might look at issues such as:

(a) the credentials of foreign students to Canadian colleges and universities;

(b) students changing from one Canadian university to another and one college to another, as well as transferring from a college to a university program, and vice-versa;

(c) degree students enrolling in a graduate or a second undergraduate program; and

(d) work experience, as it relates to the obtaining of a diploma or degree program in a Canadian college or university.

After having discussed the motion with a number of people and after having reflected, if I had to rewrite it I would do two things: I would focus or accentuate even more than I have on the idea of acting as a catalyst, the idea of attempting to bring people together to see whether or not we can bring greater rationality and simplification to what exists now in order to reduce certain confusion and frustration being felt by those who are affected.

The second point I would look at is to broaden the whole notion of transfer to colleges and universities, as well to professional organizations and to trade organizations and associations.

The motion's intent is to act as a catalyst to bring about discussion or dialogue; to ensure a greater co-ordination and harmonization of efforts that are currently occurring; and to codify, if possible, the process or processes which we now have serving us. It is to clarify and to ensure greater fairness and equity in transfers of credits in all the areas I have mentioned and hopefully to define a process that people could follow so that they would know whether or not they have been treated as fairly and equitably as they feel they should have been.

What are the objectives?

• (1310)

[*Translation*]

I really want to reduce, if at all possible, the confusion that exists outside educational institutions and try to introduce a rational element that would help us eliminate this confusion and simplify the process. I also want to reduce the frustration felt by the people involved who often don't understand why some provinces or institutions give certain credits, while others may or may not do so.

If at all possible, I also want to refine the existing process and reduce duplication. I want to make sure that courses are not repeated unnecessarily. I also would like to increase the credibility of the process itself and of all the people involved in these decisions and activities.

[*English*]

I recognize—and I want to stress it—the importance of accepting provincial constitutional responsibility in education. This motion in no way denies that or sets it aside.

I also want to recognize the importance of institutional autonomy, colleges and universities, as well as professional and trade organizations.

[*Translation*]

I do not question the autonomy or the responsibilities of the provinces and institutions that would be involved. However, I believe they could meet and collaborate more than they are doing now.

[*English*]

Let me talk about confusion, because basically that is the key here. I will give some examples.

As a former deputy minister, a former professor, a former business person, in fact, even now as a member of Parliament, I have often talked to students from other countries who felt that they had not been treated fairly. I did not obviously have a chance to look at every case, but I must confess that in a number of instances there were serious problems. From the information I had at my disposal I could easily conclude there were people who attempted to transfer their diplomas to other colleges and others, their university degrees to our universities. As well, others wanted to have their credentials assessed by professional and trade organizations. They had many stories of people who came from the same countries with basically the same qualifications who were in fact treated differently.

I am not naive enough to suggest that sometimes those situations might have been embellished somewhat. I understand that. One tends to see one's case in the best possible light. However, I am also convinced that there were real serious situations that were not treated as equitably as they might have been, not because people had bad intentions but rather because the rules were not set out; they were not clear. Perhaps they had not been discussed sufficiently.

I have examples in the fields of medicine and law and in technological courses in so far as community colleges are concerned.

Let us look at the whole notion of transfer of credits from one province to another, whether it be at the university or college level. Even within the country there are serious problems. One starts a program, goes to another college or university in another province, and that which has been accomplished successfully is not always accepted, at least in total. Very often a partial credit is given, but the student who has worked very hard to obtain those credits clearly does not see it as fair.

Even within provinces there are serious difficulties. I was approached not long ago by a young woman who had completed two years of an arts degree in a university in a particular province. This young woman wanted to transfer her credits to another university in the same province in the same program. Lo and behold, the receiving university would only accept one of two years. I had to talk to the university authorities who were really quite open about the problem. After some discussion, we were

able to come to some agreement that the two years should be credited. The point that I want to make is that I am not sure this should have occurred in the first place. In fact, I am quite convinced that it should not have happened.

I am somewhat disappointed that initially the student would have had those difficulties and had someone not been able to intervene on her behalf, those difficulties in all probability would have continued.

[*Translation*]

As for community colleges, there are problems there as well. I know many cases where, for instance, a student had completed a number of credits which he had to transfer to another institution, another community college, where he would be in the same program, and it turned out that not all his credits were accepted by the college where he was going.

There is a community college that offers a three-year program in technology. A student who goes on to university in that field and wants to become an engineer is credited two years at the university level for his three years at community college. In some cases they are credited nothing. They have to go back and start from the very beginning, as though they had done nothing at all. I think that is very unfair.

[*English*]

As well there is the whole question of independent religious degree-granting institutions. They offer arts degrees as one example and in one province this is the situation. One university will not accord any credits at all because supposedly this degree is not from a recognized institution. I understand why they do that. However, at another university, in the same province a substantial number of credits are given. At a third university, under certain conditions, all credits are accepted. This is happening within the same province where one case is treated differently by three parties and which has a significant impact on the student that is involved.

Let me tell you a personal anecdote. An individual who was an outstanding graduate from one of the Bible colleges that I know received a degree with outstanding marks. This person wanted to obtain a masters degree at one of the universities in the province. They looked at his credentials and said, "No. It is not possible because you do not have an undergraduate degree from a recognized university". The student was not to be put off. He decided to go to the United States and register in a prestigious university there, was admitted to a masters program, completed the masters program with outstanding marks, came back to Canada, and wanted to register in a doctoral program. Everything was going well until the receiving university noted that he did not have a recognized undergraduate degree. At this point he was not admitted to the program until a significant amount of discussion took place. Even then there was great reluctance in admitting this particular student.

Clearly, situations like that are inappropriate. They cause a lot of confusion, a lot of frustration, a lot of anger. Surely we can come up with something that is more rational, that is simpler, that is better, that is more easily understood.

There is the whole notion of work experience as well. Some of you will know that at both the university and college level, work experience that is related or relevant is accepted as part of the degree or diploma that one is following. However, it is not always the case. Surely if work experience is relevant in certain situations, why is not relevant in others? If it can count in one particular college or university, why should it not count in another?

Let me give you the example. A gentleman had worked over 20 years in developing nations. Obviously during the 20 years he had acquired a lot of expertise, was a recognized expert in the field with developing nations, was a keynote speaker at a great number of conferences and was also a prolific writer, published in journals and in other publications. Yet when that person wanted to undertake an undergraduate degree, he was told that he had to start at the very same place as everyone else. I find this unacceptable. Surely the person, in those 20 years of dedicated and successful service, had accomplished a great deal. The truth of the matter is he was able to find a university that was willing to give him some credit towards his degree.

• (1320)

It would be unfortunate if I were to give the impression that there has not been a start in this area because there has been an important one. There has been established the Canadian Information Centre for International Credentials. Some of you will know that Canada has formally accepted the UNESCO Convention on recognition of studies, degrees and diplomas concerning higher education in the states belonging to the Europe region. This organization focuses on the co-ordination and facilitation of the flow of information regarding

international credentials. It is a good beginning and it is one that is to be applauded.

Let me share with you the terms of reference or the mandate of the Canadian International Information Centre for International Credentials organization. I quote:

> (a) Co-ordinate the collection and dissemination of information on academic and professional recognition of foreign qualifications from Canadian and foreign sources.
>
> (b) To identify and document existing resources and establish an information network.
>
> (c) To provide information services on qualification held by persons educated abroad, as required.
>
> (d) Promote international mobility of students by providing them with pertinent information or referring their requests to appropriate agencies; and
>
> (e) To make available to foreign countries, international organizations, and individuals, information on Canadian education systems and to take steps, in conjunction with the Department of External Affairs, to promote recognition of Canadian credentials abroad.

Quite apart from this organization, in the province of Quebec there is an established system for the evaluation of foreign credentials and this, from all sources from which I have heard, is working extremely well. So there is a model in place already from which we can borrow. I am also informed that the province of Ontario has recently completed a study that looks at the whole idea of credentials from other countries and that it is in the process of making some decisions to respond to that. I have also been told that the provinces of Alberta and Manitoba are in the process of trying to bring some decisions forth in that particular area.

Let me address the final point: what is needed?

[*Translation*]

Exactly what is needed to deal with these requirements? Of course, we already have the Canadian Information Centre for International Credentials. If we wanted to, we could expand its mandate or give it a different mandate or even create a different organization. That is not the option I prefer, but it is something we could suggest to the people involved when we ask them to meet and try and come up with a solution that would respond to a number of needs I identified today.

[*English*]

Yes, we could expand the mandate of the centre. We could set up another organization. I hesitate to recommend that. We could ask the relevant parties such as the Association of Universities and Colleges of Canada, the Association of Community Colleges of Canada, the Association of Registrars of the universities and colleges of Canada, which are three parties that are really significantly involved, to meet and try to push this notion forward. We need to make progress in this area. Not to do so will continue the alienation people feel, the sense of being treated unfairly and inequitably, which leads to frustration and confusion. If we were to move forward we could bring about greater equity.

[*Translation*]

What I want to do is ensure that the people involved, those who have a direct interest in this area, will meet to discuss solutions. It must be possible to simplify, to identify a process and come up with a solution that will reduce the amount of confusion and frustration that exists today.

[*English*]

What we need is not so much a mechanism but a willingness to recognize that there are problems. We should not feel defensive about it, but accept that there is a lot of talent out there and if we get together and accept these difficulties, these problems, as challenges, we could bring about solutions that would help many, many Canadians.

[*Translation*]

That is what I want to do: help the people who are involved.

[*English*]

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am very pleased to address the motion put forward by the member for St. Boniface today and to thank him for his interest and, indeed, his work in education in this

country. I know of his work in Manitoba before he came to this place. It preceded him, and I congratulate him.

We cannot stress enough the importance of promoting advanced education in this country, nor should we underestimate the valuable, indeed vital, contributions that international students can make to the Canadian university system, the national economy and the multinational character of the country.

The government recognizes that Canada must excel in education. It is critical to our social and economic health not just today but particularly to ensure prosperity in the next century. It is for precisely this reason that Canada ratified the UNESCO Convention on recognition of studies, diplomas and degrees concerning higher education in March of this year.

Our motivation for adopting this accord was not simply materialistic or altruistic. It is because we realize that despite the diversity of languages or the differences in economic and social systems from our world neighbours, we have a common responsibility to strengthen our educational ties in the interest of world peace and co-operation.

The intention of the UNESCO Convention is to enable each country to exploit its educational means as effectively as possible, to constantly improve curricula, to ensure that teachers, students, research and professional workers have greater international mobility and to alleviate the difficulties encountered by individuals when they return from abroad after studying, or from training.

In the short time since Canada ratified the UNESCO agreement, it has moved to establish the Canadian Information Centre for International Credentials, the centre to which the hon. member for St. Boniface alluded. This centre will oversee implementation of the convention, and it is expected to be operational by the end of this fiscal year.

At this point, I would like to address the motion and the initiatives that are ongoing through the centre. A great deal of discussion and consultation have already taken place. Representatives from the provinces and the federal government have arrived at a number of recommendations which have been adopted by the ministers to become the foundation of the centre's mandate.

I think it is important that we reiterate once again those responsibilities of the centre: to co-ordinate the collection and dissemination of information of academic and professional recognition of foreign qualifications from Canada in international sources; to identify and document existing resources and establish an international network; to provide informational services on qualifications held by individuals educated abroad; to promote international mobility of students by providing them with pertinent information or referring their request to appropriate agencies; and to make available to foreign countries, international organizations and individuals information on the Canadian education system and to take steps in conjunction with the Department of External Affairs to promote recognition of Canada's credentials abroad.

I want to stress that it is a two-way street. Canadian students wishing to study abroad stand to gain as much from the signing of this convention as international students wishing to come here.

This new centre will act as a central clearing house smoothing out the wrinkles that hampered both our domestic and foreign students in the past. It will not, however, presume to assume authority or control over areas outside its jurisdiction.

Education remains a provincial responsibility. That is why the Canadian Information Centre for International Credentials will be jointly operated by Canada and the provinces. Let me also make it clear that the centre will not have any regulatory powers. It will act strictly in an advisory capacity. Colleges, universities, provincial and professional regulatory bodies will continue to be autonomous.

• (1330)

In addition to the government officials, the information centre will have representation from the Association of Universities and Colleges of Canada and the Canadian Commission for UNESCO, and observer status has been granted to the Association of Registrars of the universities and colleges of Canada. It will also receive support from the technical working groups with expertise in areas essential to the centre's success. It is these professionals and specialists who are best equipped to decide what needs to be done and how to go about doing it.

In many ways, the centre's tasks will be daunting. The diversity and complexity of various political, social and educational systems around the world will prove to be a real challenge.

At the same time, though, it offers an exceptionally rich, cultural asset. The centre's *raison d'être* may be to streamline and simplify information flow, but the ultimate bonus may be a fresh perspective on the operation of educational and training systems in other parts of the world.

There is no doubt that Canada can only benefit from the improved flow of information the centre will generate to assist Canadian students and from the influx of international scholars it will draw.

The Canadian Information Centre for International Credentials will also complement several other recent initiatives undertaken by the federal government to support educational endeavours. In particular, I want to mention the Prime Minister's proposal for a task force on human resource development for Canada's international competitiveness in the 21st century, and the Economic Council's study of education and the economy.

Additional federal programs and policies are helping foreign students to better use the time they spend in our country. Employment and Immigration Canada's recent decision to modify the conditions for employment of international students has made it easier for many of them to work on and off campus in their areas of specialty for up to one year after graduation.

For its part, Statistics Canada is now publishing an annual compendium of statistics on international students. As well, the Departments of External Affairs, and Industry, Science and Technology are examining ways to promote Canadian education services and facilities more effectively overseas. All of these measures are aimed at raising the profile of the Canadian education system, both at home and abroad.

There can be no doubt that education is the key to the future. As we leave the industrial era behind us, academics, businesses, and governments will need greater access to ever more data and know-how in the new information age. Any efforts which propel that process must be encouraged and supported.

That is why I believe that the creation of the Canadian Information Centre for International Credentials has gone a long way toward satisfying many of the aims of the motion under consideration today. Aside from the constitutional question, it would be a duplication of services, I believe, to establish the sort of national body suggested.

With all due respect to my hon. friend from St. Boniface and his intentions, I suggest, Mr. Speaker, that much of the work is already being done, and being done very well indeed.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is a pleasure to have an opportunity to make some comments on Motion No. 688 which has been introduced by the member for St. Boniface. The motion draws attention to a problem that has been a burden to students and educational institutions in Canada for quite some time.

I find it most unfortunate that the member of the government chose substantially not to address herself at all to the substance of the motion, although it certainly is true that the UNESCO Convention and the creation of the Canadian Information Centre for International Credentials are useful first steps. She did, however, indicate one of the significant problems with the motion before us which would propose some kind of regulatory body in the face of the fact that education is a provincial matter.

As I am sure you know, Mr. Speaker, and the hon. member for St. Boniface knows, these jurisdictional properties, as it were, can heat up the debate to white heat without solving any problems whenever these jurisdictional responsibilities are confronted in an attempt to bring about change. However, we should recognize too that, although burdensomely inconvenient at times, the fact that education is a provincial matter is useful from the point of view of giving diversity to education in Canada in that it reflects the diversity of the regions of Canada. Quite specifically, of course, there is the extreme case of Quebec which has a different language and different culture. Obviously, it has to have an educational system that reflects those differences, but similar differences apply right across the country.

When one is talking about post-secondary education, even within provinces, the problem encountered is a reflection of the diversity within provinces of post-secondary education and not only diversity in terms of classes

of institutions, universities as opposed to the colleges. As well, I suppose I should say parenthetically, when we talk about parallel systems of colleges, in Ontario we are talking about quite a different system than the CÉGEPs in Quebec and the community colleges in B.C. There is a great deal of diversity within provinces, classes of institutions that are recognized as post-secondary, and a great deal of diversity between provinces in that respect.

Even in looking at universities, one of the problems of any over-arcing regulatory anything is that it tends to suppress the kind of diversity that is very useful in terms of the development of different approaches to different kinds of curricula and courses, and new thrusts that in the long run can be of benefit to making our educational system more appropriate to the need: the needs of our students, the needs of our society, and the needs of our economy.

It is true that this huge diversity, with each university and each college finding its own way, for example with each professor often teaching a course at the basic introductory level in economics, being different from one institution to the other. Obviously, this creates problems for students who are transferring from one university to another within a province, from a college to a university, from a college or university from one province to another, and certainly a very difficult problem in respect to recognizing the credentials of international students who come to this country to study.

The hon. parliamentary secretary pointed out that this is a two-way street and that very often Canadian students have difficulty having their credentials recognized elsewhere. It is a problem, but it certainly is not a problem that is going to be solved by means of any over-arcing regulatory body, as has been suggested here.

In fact, I doubt whether it is conceivable in the terms that have been suggested by the hon. member that the problem can be solved at all. That does not mean that we should not take seriously the question of transferability. How can it be brought about? It certainly is not going to be brought about by an action by this Parliament. It is a matter of provincial jurisdiction and an area in which we have no power to act.

• (1340)

It seems to me that we could use this opportunity to suggest to the university and college community, and to the ministers of education at the provincial level, that they should attempt to find some way to facilitate the transfer of students from one institution to another; to recognize, as the hon. member mentioned, life experience, as it is called, as a basis for admission; to make it possible for international students to gain reasonable admission to institutions here; and, by the way, to gain appropriate recognition of whatever professional credentials they have.

The problem is that we place too much emphasis on credits. We place too much emphasis on course descriptions and not enough emphasis on what students actually know. It seems to me that we can either go to a different system altogether or use some combination of systems of evaluations to address the problem. I would recommend to the AUCC and other groups involved in the colleges and universities, to have some kind of objective evaluation, not of what courses students have taken, or of what credits they have, but of what knowledge they have earned. Knowledge gained in formal class or knowledge that has been gained by virtue of work experience is knowledge that in some fashion can be measured. We have to confront this problem.

I have confronted this problem as chairman of the board of St. Clair College and as a professor at the University of Windsor. We have wracked ourselves trying to figure out how to resolve this problem. It seems to me that the only ultimate solution is to get around this tyranny of credits and course descriptions to try to find a means of evaluating what students actually know, what those with work experience actually know, and what international students are capable of demonstrating they know as a basis for placing them appropriately in a post-secondary institution of their choice.

It may very well be that some evaluation of credits would be included in the equation. An objective examination and an appropriate interview with those who seek to have their past experience evaluated would seem to me to be one way of approaching it. So, I would suggest that.

If there is any means at all by which the federal government can exercise some leverage, perhaps it would be in respect to EPF transfer payments which

right now are not specifically directed at post-secondary education. There are no strings attached. Maybe one of the strings attached could be for each province to submit a reasonable proposal or basis upon which transferability could occur fairly.

I have recommended to the House one process that could be used and I have suggested a slight lever that might be employed. I hope that the administrators of colleges and universities and those concerned about fairness in colleges and universities will know about this debate and engage seriously in solving a problem addressed today after some 30 years of repeated attempts to bring about a resolution.

Quite frankly, I would have to admit, in favour of the hon. member for St. Boniface's motion, that up until now the effort has not been serious and, because it has not been serious, it has caused serious difficulties for many Astudents and those who are attempting to become students in our country.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, it gives me great pleasure to speak in support of the motion of the hon. member for St. Boniface.

For the sake of the record, I would say that the hon. member did not necessarily ask for a regulatory body, but for a discussion or dialogue in order to simplify the process and make it more understandable. He clearly understood the complexity of the issue and all he is calling for is some sort of discussion to take place.

I was quite disappointed in the statement of the hon. member representing the government when she stated that education falls under the jurisdiction of the provincial government and, as a result of that, we have no business in talking about the issue or dealing with the issue.

Using this rationale, perhaps we might apply and say the same thing about health care. We might say the same thing about the environment, taxation of all types, economic development and job creation.

The truth of the matter is that we can no longer afford to say: "Well, this is your baby. I am not going to get involved in it". The issue of education now, more than ever before, will have to become everyone's business, at the provincial, municipal and federal levels.

To back up my statement, I want to state to the hon. member that here in Canada one out of every three youths who enter the high school level do not finish their high school. If we look at the latest statistics from Employment and Immigration, on an annual basis, approximately 100,000 students drop out before they get to Grade XIII.

Between now and the year 2000 we are going to see at least one million Canadian youths out on the street looking for low paying jobs, or having no jobs at all.

If we compare this with what has happened around the world, for example, in Japan, 94 per cent of 17-year olds in Japan are still in formal education or are still learning in schools.

In Germany, 89 per cent of their children are still in schools at the age of 17. In Sweden, it is 78 per cent. Here in Canada, the figures are a lot less. We have only about 72 per cent of our students remaining in school after the age of 17.

This should be an alarming signal to the government to take note of and to realize that the issue of education can no longer be a provincial or municipal issue alone. It has to become a federal issue as well.

Over the years a good proportion of jobs in our society were in the low paying scales and did not demand high skilled employees. Everything is changing as we move into the 21st century. We are going more and more into the areas of high tech and information systems. As a result of that, there is a bigger demand on our labour force to be highly skilled and highly trained. That is why the government has to put a lot more emphasis on educational retraining today than ever before.

If we look at the latest statistics from Employment and Immigration, going back to 1986, they show that the unemployment rate for Canadians aged 15 to 24 with a post-secondary education was 9.8 per cent. This is significantly lower than the 17.7 per cent unemployment rate for the same age group with only high school education. That says that we can no longer afford to shy away from the issue. We have to address it with vigour and interest. We cannot carry on passing the ball to the other levels of government.

In terms of giving an equivalent for a university student moving to another university, I believe it is only fair that a first year math student who takes calculus, for instance, at the University of Ottawa should be eligible to get the credit from the University of York if he is

studying the same type of course. Unfortunately, over the years a lot of complication has been created as a result of students moving from one university to the next, putting a tremendous load on their back which they have to deal with.

The suggestion by my colleague to create some sort of a mechanism whereby we cannot simplify the process is only fair.

• (1350)

The former provincial government, a Liberal government, released a report last year called *The People and Skills in the New Global Economy*. I suggest that many sound recommendations came out of the report, one of which calls for uniformity in our post-secondary education.

I would like to quote from that report. The report concluded that:

> —it is time to rethink the rigidities still built into the post-secondary education system. Each step along the educational path should open doors rather than close them. Thus, individuals should be able to transfer smoothly from one institution to another without having to go back to 'square one'. Ideally, the competencies an individual has achieved in one environment should be recognized in others if learning is to be acknowledged as cumulative. And finally, no educational choice should be a dead end.

This is an excellent point that has been raised by the provincial government in Ontario. I might suggest it is high time for other provinces to take the lead and to move forward in this direction.

We need a catalyst, and that catalyst has to be the federal government. We can no longer point our finger stating that it is a provincial responsibility and that as a result of that, we are not going to deal with it, while we are giving, in terms of transfer payments to the provinces, billions of dollars on an annual basis.

If this is the same argument we are going to be using, we should look at the health care system. While the health care system falls within the jurisdiction of the provincial government, we still have a federal government involvement in the health care system, and we still, from time to time, tell the provinces how we would like to see the health care system run.

To say that it is within the constitutional right of the provinces, I do not think I will buy that. I do not think the people of Canada will buy that because while we are contributing financially to the educational system, we should have a say on how the money is spent, especially when it comes to the issue of educating our children, our youth, the leaders of tomorrow.

I commend the hon. member on his excellent initiative. He spoke about people with university degrees who are coming from outside Canada. I have many constituents who have called me on several occasions to tell me horror stories.

A dentist in the Ottawa-Carleton region who obtained his university degree in England called me. He practised for over 25 years as a dentist. This dentist right now is working as a real estate agent because he could not get the equivalent to his university degree which he obtained in England.

Other students who completed PhDs in electrical engineering or civil engineering are driving cabs. When it comes to students who graduate from other universities around the world and who move to Canada, certainly we are not doing enough to recognize their university education.

The system is not perfect. I hope the government is taking note of this and that it will take the recommendation of my Liberal colleague to heart. Hopefully, it will deal with it.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Saint-Maurice.

Mr. Denis Pronovost (Saint-Maurice): First, Mr. Speaker, I want to congratulate my colleague from St. Boniface for bringing this important issue before the House. However let me make it clear that the Canadian government is also showing great concern over post-secondary education because we know that the people of this country can only stand to gain if they are prepared to face up to the challenges of the coming century.

The Canadian government gives priority to education and does not spare any effort to improve conditions in that field. It earmarks a fair share of its annual budget to that end, in keeping with its powers under the Canadian Constitution, yet it shows great respect for provincial and territorial educational jurisdictions and is intent on refraining from expanding or going beyond its jurisdic-

tion in that field. It readily acknowledges the expertise of the various governments with respect to education.

Being a former Manitoba education minister, my colleague from St. Boniface is aware of that fact and fully conversant with the post-secondary education issue. Keeping in mind his experience in education, I am somewhat surprised that he chose to introduce this motion.

The better to appreciate the import of the motion before the House, Mr. Speaker, allow me to shed light on the situation by explaining how the present system works, for this will enable you to agree with me that the federal government has rather limited leeway.

The provinces were given jurisdiction over education in the 1867 Canadian Constitution. Pursuant to section 93, the provincial education departments hold direct control over primary and secondary schools as well as colleges in Canada. It follows that these departments are responsible for rating academic credits and diplomas awarded outside their respective provincial boundaries at all levels except for university studies.

Indeed universities are an exception to the rule. They are empowered to award diplomas to their students under their provincial charters which also authorize them to set entrance requirements and related procedures. Thus each institution can rate the academic standards of other universities, provinces or countries before enrolling a student. Universities are responsible for establishing equivalence scales governing interprovincial standards or those of other Canadian universities.

The problem raised by the hon. member for St. Boniface is not a major one. Furthermore, most universities recognize job experience and give students points accordingly. Mechanisms already exist at the university level.

In fact, the present system works quite well, which is borne out by the figures. Last year, more than 70,900 foreign students were studying here in Canada. Degree and credit equivalencies were evaluated under the existing system and did not seem to be a major problem. In addition to the impressive number of foreign students, large numbers of Canadians changed schools, colleges or universities and were admitted, on the basis of the credits they had acquired, to another educational institution.

As you know, Mr. Speaker, the hon. member for St. Boniface has a solid reputation in the field of education, and of course, when he was a deputy minister with the Government of Manitoba, his great expertise was recognized, and rightly so. However, like other members of the Liberal Party in this House, he has become obsessed with taking all the powers that belong to the provinces and transferring them to the central government, the Government of Canada. Members of the New Democratic Party have the same desire to abolish the powers of the provinces by transferring them to a strong central government. The Liberal leader has exactly the same tendency to claim that the provinces are not capable of acting responsibly and should be denied certain powers that should be transferred to the central government.

Mr. Speaker, you are signalling that my time has expired, and I must say I had some more interesting points to make. Unfortunately, the proposal made by the hon. member for St. Boniface cannot be accepted by this side of the House because we on this side fully respect the jurisdiction of all the provinces of this country over education.

[*English*]

Ms. Mary Clancy (Halifax): Mr. Speaker, I wish to say that in this matter of great importance, we too on this side of the House respect the provinces. We also see the need for immediate action on the suggestion of my hon. colleague from St. Boniface, who did not ask for a regulatory body. He asked for the beginning of dialogue and discussion in this matter.

Those of us involved in so-called real politics know that the politics of universities is sometimes even more arcane and difficult to deal with. If we are going to solve this problem in our universities, both nationally and internationally, we must begin as soon as humanly possible, and not let it bog down in discussion in this Chamber or between the provinces. The job needs to be done. We have seen what the problem is. Let's attack it and seek a solution.

Mr. Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(1), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

[*Translation*]

It being two o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AIR SAFETY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, no Canadian traveller can feel anything but concerned and uneasy over safety in this country's skies.

This government promised that the brave new world of deregulation would not harm safety in the slightest. Last Thursday that promise was shown to be hollow. A senior Transport Canada safety inspector, Henry Dick, told the inquiry into last year's Air Ontario disaster at Dryden that air passenger safety has been compromised since deregulation. He told the inquiry that deregulation has increased his department's workload by as much as 50 per cent, yet there has been no increase in the number of inspectors. That staff shortage, plus the transition period at Air Ontario, made a thorough safety check-up of the company's planes very difficult.

Where is this government's commitment to safety? When will this government make good on its promises and hire the inspectors that are so desperately needed? The Canadian travelling public needs to know now.

* * *

CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE

Mr. Bob Hicks (Scarborough East): Mr. Speaker, the Conference on Security and Co-Operation in Europe held in Paris this week is breaking ground few of us could have imagined, even months ago.

The CSCE is opening doors to a new relationship between eastern and western Europe and between Europe and North America. Europe is at last liberated from the threat of opposing military alliances and united in its commitment to democracy, human rights, and economic co-operation. Canada has joined 33 other nations to promote greater prospects of booming pan-European and trans-Atlantic trade.

The CSCE should complement the work already done by NATO to enhance peace and security in Europe. The CSCE should have a permanent secretariat with a clear mandate to keep communication open and honest throughout the European community.

For the common good it appears that the cold war is truly and finally over.

* * *

CANADA POST

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on August 18, 1989 I wrote to both the president and the minister responsible for Canada Post asking that a stamp be struck in honour of the 125th anniversary of the birth of Marie Sklodowska-Curie. As members of this House are aware, Marie Curie's accomplishments in the study of radioactivity won her the Nobel prize in physics in 1903.

In response to my letter, I was advised by the chairman of Canada Post that decisions of this sort are made in accordance with Article 3 of Canada Post's corporate policy which states that the stamp advisory committee gives preference to subjects that are primarily related to Canada.

I am sure that executives at McDonald's, having paid $250,000 to have their label printed on the salvage of a series of our stamps, were ecstatic to learn that their hamburgers were considered more in keeping with Canada's interests than a woman who discovered a cure for cancer, benefiting thousands of people all over the world including Canadians.

Maybe it is high time for a rude reminder to Canada Post of our priorities as a country.

* * *

GRAIN AND OILSEEDS

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, last week in Winnipeg, federal and provincial agriculture ministers met to discuss the cost sharing of proposals made by the producer and federal and provincial government representatives who make up the grain and oilseed safety net committee.

The guaranteed revenue insurance plan and the net income stabilization account together will provide comprehensive income stabilization for grain and oilseed farmers. These programs will be production neutral and will be tailored to the situation of the individual producer by using individual yield information and individual stabilization accounts.

Farmers will be able to calculate in early spring their guaranteed total returns for each crop. This guarantee will introduce an element of certainty and predictability so that farmers can better plan their business.

Canadian grain and oilseed farmers urge the federal and provincial governments to expedite the introduction of this new generation of farm safety nets.

* * *

SECOND WORLD CLIMATE CONFERENCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, "notwithstanding scientific and economic uncertainties, nations should now take steps toward reducing sources and increasing sinks of greenhouse gases through national and regional actions". So concluded over 700 scientists from 120 countries at the second World Climate Conference, recently concluded in Geneva. They went on to call for a 1 per cent to 2 per cent per year cut in carbon dioxide emissions, starting now.

After the scientists, the ministers met, including the Canadian Minister of the Environment. Unfortunately Canada failed to heed the urgent call for action so that the final ministerial declaration does not contain targets and timetables on CO_2 reductions.

As a result, Canada is no longer a leader in global environmental action. We are instead falling in line with a White House agenda, and that is most unfortunate.

* * *

CANADIAN COALITION ON ACID RAIN

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, President Bush's signing into law last Thursday of the new U.S. clean air legislation means that the future health of Canada's lakes, rivers and trees is a little more certain. The United States is now firmly committed to reducing its acid rain causing emissions by 50 per cent by the year 2000, and the new law lays a solid foundation for the finalization of a transboundary treaty between our two countries.

No group is more deserving of our thanks in this long battle than the Canadian Coalition on Acid Rain. Of particular note are the coalition's two dynamic co-ordinators, Adele Hurley and Michael Perley, whose intensive and tireless lobbying of the economic and political decision makers on both sides of the border contributed greatly to last week's historic signing.

Tonight, Mr. Speaker, at a victory party at Casa Loma in Toronto, to which you and I are both invited, the coalition will celebrate. I say celebrate long and hard for it has earned the gratitude of a nation and that of future generations.

A few moments ago I had the privilege of speaking to our ambassador in Washington, the hon. Derek Burney, and commended him for the great work that he has done in bringing this to a very successful conclusion.

* * *

NOVA SCOTIA ARCHIVES

Ms. Mary Clancy (Halifax): Mr. Speaker, the Nova Scotia Archives in Halifax has had a proud tradition of providing materials to students, scholars, writers, and interested amateurs for scores of years. It is accessible both in the physical and the intellectual sense for all who wish to use it. Consequently, the discovery some days ago that all reference cards relating to blacks and to women had been removed by some vandal is a double tragedy. Dr. Frances Early, historian and past chair of women's studies at Mount St. Vincent University, said that the removal of this material and its resulting blow to women's and blacks' research is an assault on the dignity of both groups, as a denial of one's history is a denial of one's importance and one's contribution.

Black history in Nova Scotia includes the Black United Empire Loyalists, as well as being the terminal of the underground railroad in pre-United States Civil War days.

The role of women in Nova Scotia has been documented from the early days of New France at Port Royal to the development of Canada's only women's university.

This particularly horrible manifestation of sexism and racism is all too common in Canada today. It is time for all Canadians to stand and say: "No more of this; not here, not now, not ever".

* * *

[*Translation*]

SOLICITING BY TELEPHONE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, there are days when one wonders what is happening to society and whether anyone is responsible anymore. Numbered companies, unscrupulous people, invite young people and others to call them by dialing a telephone number starting with 976. And what do they hear? An answering machine that delivers a pornographic and obscene message.

Unfortunately, there is a charge for each call, and parents end up with the bill at the end of the month, dumb founded and powerless to fight the system.

Mr. Speaker, where are Bell Canada's sense of morality and professional ethics, when it allows its telephone lines to be used for pornographic and obscene purposes? How can the CRTC remain oblivious to this situation? While people in a position of authority abuse the trust of our young people, other authorities at Bell Canada and the CRTC continue to wash their hands like Pontius Pilate.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the Liberal senators are at it again, promoting their distorted view of the GST. Their latest drivel which was released to every weekly newspaper in Canada last week indicates their total lack of understanding of the GST or their total disregard of the facts. It is one or the other; probably both.

They should exercise some sensibility but they do not. They continue to run rings of confusion around the Canadian people. They are on the losing end of the GST debate and they cannot accept their fate.

• (1410)

CHILD ABUSE

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise today to urge the government once again to commission an independent inquiry into the shocking abuses which took place in Canada's residential schools for native children.

Countless numbers of Canada's first peoples faced abuses in schools that were funded by the federal government. Through an inquiry the government will assist the healing process for the victims of this abuse. More and more native children and adults are coming forward to tell their tales of personal abuse while in residential schools and how it still affects their lives.

Why is the government afraid of this inquiry? These victims require this measure of justice.

Therefore I again want to urge the government to commission an independent inquiry into these residential schools. Until we start listening to the victims of abuses that occurred in these schools, the resulting problems will not go away.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. André Harvey (Chicoutimi): Mr. Speaker, Raymond Garneau, former Quebec Finance Minister and former Liberal Member of Parliament and Finance critic, thinks that the goods and services tax proposed by our government is probably the fairest one that could be found in the present context of global markets.

According to Mr. Garneau, at a time when we have free trade and global markets, we have to get rid of the old tax and replace it with the GST. Mr. Garneau went on to say that the 13.5 per cent tax had become impossible to administer and that it was as full of holes as a sieve. No government had yet been able to find a way to make it watertight. It was too easy to get around by legal means, with the help of expert lawyers. It had to go.

Mr. Speaker, it is high time Liberal senators respected the agenda of a responsible government.

S. O. 31

[*English*]

NEW DEMOCRATIC PARTY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, today I am wearing my very special suit. I call it my NDP suit, my socialist sackcloth, my comrade-in-arms tunic, if you like.

The NDP knows what it is against. It is against the break-up of Canada, as the leader has so often said. It is against dirty, rotten patronage. It is against Hibernia. It voted against it here in this House.

But this suit has a second pocket. The NDP knows exactly what it is for. It is for—and these are the words of the member for Chambly—the break-up of Canada. It is now still against patronage, except of course in the cases of Ed Broadbent, Bob White and Ian Deans.

Mr. Speaker: Order. It is not always easy to draw the distinction between what is fair comment in members' statements and what is personal criticism.

It seems to me the hon. member has referred to another hon. member as being in favour of the break-up of Canada. I think that is a pretty personal attack, and I would want the hon. member to keep that in mind.

Mr. Simmons: As I was saying, the NDP is not really against Hibernia. The leader said in St. John's: "Just because we voted against it—doesn't mean we oppose it".

Some hon. members: Oh, oh.

Mr. Simmons: You see, Mr. Speaker, any NDP suit worthy of the name must have two pockets: one to tell you what you are for and one to tell you what you are against. The problem is you might get the two pockets all mixed up one day.

* * *

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, once again the Conservative government has come out strongly in favour of rhetoric and bluster and decidedly short on substance with respect to the environment.

This month in Geneva, at the second World Climate Conference, the Minister of the Environment disregarded the unanimous recommendations of the environment committee and gave short shrift to the dangers of CO_2 emissions, the greatest single contributor to global warming.

Rather than support international moves to reduce CO_2 emissions by 20 per cent or more by the year 2005, the government opted for a vague promise to stabilize emissions at current levels by the year 2000.

The government has refused to conduct a full environmental assessment of the proposed coal fired generating station at Point Aconi, Nova Scotia. The Point Aconi project will produce 1.5 million tonnes of carbon dioxide annually.

Instead of taking action on global warming, the government plans to turn a blind eye to a project which will substantially increase Canada's CO_2 emissions.

Point Aconi must be subject to a full environmental assessment.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Wood (Nipissing): Mr. Speaker, I rise today to express the concerns of the dairy farmers in northern Ontario, in the riding of Nipissing, over the recent proposal made by this government to the GATT concerning our dairy industry. Once again it appears that this government has fallen prey to the illusion that the U.S. is a free trader, particularly when it comes to agriculture. Why else would the government jeopardize our dairy markets by proposing to open up an even greater segment to unfair competition?

The U.S. and the Europeans dump dairy surpluses on the world market, forcing prices well below the actual cost of production. They protect their own markets vigorously with trade barriers significantly higher than ours, whereas Canada has the highest level of market access.

The premise of our supply management programs is to supply our own market so we do not create huge surpluses to dump on world markets. Unlike the U.S., surpluses in Canada are paid for by the producer and not the taxpayer.

The purpose of the GATT is to provide fair rules for global trade, not to create a forum for international price subsidy wars. Indeed, this proposal makes Canada the

casualty in the agricultural crossfire between the United States and the Europeans.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance.

Last week, the Conference Board of Canada reported that the confidence of Canadian families in their financial situation is at a record low. What a vote of non-confidence in the policies of this government. Only 7.8 per cent of Canadian families felt that the job situation in their communities would improve in the next six months.

Why does the minister and his government persist with policies likes the high dollar, high interest rates and the GST, that are seriously damaging the confidence of Canadians in their economic future? Why will he not bring in new policies that will create jobs, create economic growth and re-establish the confidence of Canadians in the economy of this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have responded to that form of question on a number of occasions from the Leader of the Opposition.

We have an economy that is going through a transition stage, from a period of very high growth to a period where we have to get the levels of inflation under control. I am sure that my hon. friend remembers back in the late seventies and early eighties when the government that he supported did not take these problems seriously and that left us with the very serious recession in 1981-82. If he were to be honest with those Canadians that he believes he is speaking for today, he would not be saying the same things that he is saying right now.

I am not happy when I see the confidence at these levels. I can understand why people are feeling the way they do. What we have been trying to do is get interest rates down to reflect the slowness in the economy. That has been happening over the past four months and will continue as the performance in the economy warrants.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, last week Statistics Canada reported that more than half of the jobs lost in the first six months of this year were lost in small businesses.

It is no wonder that Catherine Swift, chief economist and vice-president of the Canadian Federation of Independent Business said: "We haven't seen intelligent government policies to deal with the problems." She pointed to "increasing taxes and artificially high interest rates as poor government management".

Is the minister going to attack Catherine Swift as not being honest? What is he going to say to her and the tens of thousands of small business people she represents?

Why will the minister not bring in some intelligent government policies, get away from his poor management and do things to help Canadian business, especially small business, get out of the economic mess he and his policies have created for this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I would say to Catherine Swift is that she is looking at a very narrow timeframe.

If she would cast her mind back to September 1984, when we had an unemployment rate of 11.7 per cent, the unemployment rate is down considerably from that.

The other point is that there has been over 1.5 million jobs created during that period. I believe about 80 per cent of those have been created by small business. It is very easy to draw these negative conclusions. In the broad timeframe of the last six years, the policies of this government have worked. The policies of this government have resulted in a substantial creation of jobs and a substantial improvement in the standard of living for Canadians. As people have seen, after tax and after inflation, their ability to purchase has gone up by $8,000 for every family in Canada.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister has not explained. If things are so wonderful, according to him, why is the confidence of Canadians in their economic future so low?

[*Translation*]

Mr. Speaker, everyone condemns this government's policies. According to Statistics Canada, small businesses in Quebec are those most severely affected by the recession caused by this government. My question to the minister is this: How long will the government let this recession go on and when will it introduce policies to help small businesses create more jobs in Quebec and across the country?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not saying that things are wonderful in the economy, as my friend has just said that I did. I am saying that we are going through a difficult period now.

It is important to look at the broad timeframe. The economy has improved considerably since 1984 when we came into office. We have seen 1.5 million jobs created since that time.

I think it is also important for us to look at the position of Canada in relation to the rest of the world. Just the other day, we saw where Montreal and Toronto are right at the top of the statistics of cities in which it is good to live in the world.

We have seen where Canada has one of the highest standards of living when you take into account medical care, life expectancy, and standard of living in terms of income. These are things that are good about Canada. We are committed to improving these. But we also know that we cannot just snap our fingers and wish them to happen. We do know that we have to go through this period to get inflation under control so we can get interest rates down and see a return to strong non-inflationary growth in the future.

* * *

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of the Environment and deals with Rafferty-Alameda.

On January 26, the government signed an agreement with Saskatchewan, but forgot to have cabinet endorse it. On September 5 the minister met with Grant Devine, but forgot what they talked about. On October 12, the review panel resigned. The government sought an injunction. It was refused because the government forgot to appoint a new panel. This morning the minister met with his officials trying to figure out what comes next.

What brilliant moves does the minister have to lay before the House now, or can he remember?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, first of all, before all this history happened, I would like to tell my hon. colleague that there was an environmental process conducted. It was challenged in court. The court at that point requested the federal government to appoint a public panel to have public reviews, which we did.

We followed the judicial process. We appointed the panel. We began a full environmental review of the project and we have attempted to date to protect that process. The process is very important. I can tell my hon. colleague that we intend to appeal the decision of last Thursday, to clarify the situation and to make sure that the due process of environmental assessment is conducted on this project as it should be on any major Crown project.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, the minister seems to be guessing his way along on the environment.

[*English*]

Mr. Speaker, we are not dealing with a failure of law, we are dealing with a failure of political will.

As Mr. Justice Muldoon said in talking about this particular government, it should stop seeking ways to evade the guidelines. It should warmly embrace them. It should not try to circumvent the law.

The minister has said that he cannot revoke the licence. Well, he can suspend it. If he has any doubt about it, there is not a law student in this country who is not prepared to show him how.

Mr. Speaker, this government is the laughing stock of the environmental community. Will the minister suspend the licence and will he suspend the licence now? He has the power to do so and, if not, will he submit himself and his government's actions to a parliamentary inquiry so we can get to the truth of this matter?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the opposition speaks in very simplistic terms about the licence. A licence, whether it be this licence or any other licence granted by this government, can be suspended or quashed but only under one very fundamental rule of law; there has to be some kind of breach or some kind of violation of the terms and conditions of the licence. I have been discussing this with our legal advisers. There has been no breach or no violation of this particular licence.

We are pursuing in the courts the avenues that are open to us to allow the process to be completed and that is by appealing the judgment that was handed down last Thursday. We are doing that this week. We will continue in that pursuit.

I would like to tell my hon. colleague that the best way to avoid these kinds of circumstances in the future is for him and his party to strongly support Bill C-78, which would finally put some order in environmental assessment.

* * *

PERSIAN GULF

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Associate Minister of National Defence. As the House will know, three members of the House from the defence committee, including myself, were in the Persian Gulf last week. May I say we were all very impressed with the professionalism, the competence and the innovativeness of our troops who are there.

Some hon. members: Hear, hear.

Mr. Brewin: However, we are not quite so impressed with the performance of the government on this issue, Mr. Speaker. On September 26 the Minister of National Defence made a solemn commitment to this House:

> —before any changes are made to the mission that Canadian forces are involved in at this time in support of the United Nations sanctions, resolution 665, that of deterring aggression, they will have to be consulted and we will have to make that change in Canada.

This weekend there were reports, apparently clear and documented, that Canadian forces in the gulf were going far beyond the enforcement of the UN sanctions and were in fact involved, albeit in a defensive say, in the support of so-called Operation Imminent Thunder, an offensive exercise near the Kuwaiti border.

Will the minister explain why the Minister of National Defence did not keep his commitment to this House?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, first of all I would like to thank the hon. member for his very kind and accurate words about the work that our men and women are doing in the Persian Gulf, as I am sure he is aware, having been there, in a very difficult situation. I know those words will be appreciated by them.

I would like to assure my colleague that our role in the Persian Gulf has not changed. Our role is to enforce the UN sanctions against Iraq and to deter aggression. That will continue to be our role. Any change in that mandate would have to be considered by the government and, we would hope, by Parliament.

Yes, we did participate in the exercise over the weekend, albeit, as the member indicated, in a minor role. We assisted in the patrols; we assisted in escorting the U.S. hospital ships; and we participated, as the member has indicated, in a defensive capacity in an air operation to test out command and control capabilities of the multinational forces which are operating in the area.

Mr. John Brewin (Victoria): Mr. Speaker, the minister has just confirmed a clear escalation of Canadian policy without consulting Parliament.

I would like to ask a supplementary question. Last week the Prime Minister indicated that there were going to be substantial cutbacks. Reports have stated that as much as half a billion dollars in government programs, presumably further affecting social programs in this country, will be cut to pay for the cost of the Canadian contingent. While we were there it was made clear to us, and this was confidential information, that the incremental costs were nowhere close to that. I would like to ask the minister if she will make it clear publicly in this House the incremental costs of the Canadian contingent in the gulf.

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, first of all I am surprised. I would think my hon. colleague would want to ensure that our men and women are prepared to deal with any kind of contingen-

cy. As we do here in Canada, as we do in Europe, we participate in exercises all the time to ensure our command and control capability, and that we are prepared to deal with any exigency.

• (1430)

With respect to the cost, yes, I know. I have seen the various figures which have been around in the media. I would just like to assure my colleague that work is being finalized on the costs of these operations. We expect that to be completed in the next few days. That information will be made available to the House and to the Canadian public.

Mr. John Brewin (Victoria): Finally, Mr. Speaker, will the minister assure the House that, if there are to be any cutbacks to pay for the cost of the Canadian contingent in the gulf, they will come from the vast over-expenditure that is now taking place in maintaining Canadian forces in Europe now that the cold war is over?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I think that raises another issue, as I am sure my hon. colleague is aware.

The signing of the first CFE treaty is a historic event which we hope ultimately will lead to reduction in military troops in Europe of all nations. Canada has already indicated that we are planning to reduce our forces by about 1,400 and will be following the progress of future CFE talks with great interest.

Certainly, at this time, it would be premature to indicate to the hon. member and to the House just what sources may be looked for to ensure that we do have the financial resources available to continue to operate in the gulf effectively and to fulfil our mission there.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Minister of the Environment.

For weeks in the House the question has been whether the minister did or did not reach an agreement with Premier Grant Devine concerning Rafferty-Alameda. In his affidavit to the court, the minister said: "Not only did I not make any such amending agreement I could not have as any agreement to amend the January 26, 1990 agreement would have required the approval of cabinet."

Now we have the court decision revealing that the original agreement had never been approved by cabinet. Therefore, no amendment to it would have required a cabinet approval.

In light of that, does the minister stand by his statement to the court, will he repeat it in the House or correct it?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I can only repeat what I have said to the House time and time again.

There was no agreement reached on September 5. There were a number of discussions held. There was a document left for me to study and to have my officials review. It is exactly what I said in the affidavit. I stand by it, and I stand by everything I have said in the House.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister said repeatedly in the House on November 2 that he wants the January 22, 1990 agreement to be respected. We now find out through the court that that agreement was never approved by cabinet and therefore, according to the court, it is unenforceable.

When did the minister learn that this agreement had not been approved by cabinet? When did he know it might not be enforceable? Why did he continue to depend on this agreement for his whole case against Rafferty-Alameda?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, we have attempted to follow the process here, and have done so quite judiciously, according to the dictates of the court.

We did appoint the panel. We got the panel up and going. We have always insisted that the Government of Saskatchewan live up to the January 1990 agreement. We believe that that agreement was a binding agreement. It is an agreement signed by both parties that indicated quite clearly that work would continue up to the level where safety was guaranteed and thereafter stop until the panel had completed its review.

When the panel finally resigned because work was ongoing beyond what it believed to be the safety level, we immediately sought an injunction. It was refused, and I have announced today in the House that we will seek leave to appeal the decision to clarify that situation.

* * *

[*Translation*]

CITIZENS' FORUM ON CANADA'S FUTURE

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Deputy Prime Minister.

A few days ago, the *Ottawa Citizen* reported that a group of public servants was preparing a series of major constitutional amendments to change the division of powers between the federal government and the provinces. Would the Deputy Prime Minister confirm that information today? If that is the case, when will these proposals be submitted to the Spicer Commission?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, the Citizens' Forum has been established to obtain the views of all Canadians from all parts of the country. It is expected that that process should take place to get a clear sense of what Canadians want and what they believe are important elements in furthering the development of a stronger Canadian federation. It is in that context that we want this process to move ahead.

I think the hon. member would understand that it has not been charged with the responsibility of bringing forth a constitutional amendment. That can only be done by the government of the day in collaboration with the provinces. Of course, I think it would be prudent, and I am sure the hon. member would agree, that we get some expression of feeling from the Citizens' Forum before we embark upon any kind of exercise in proposing further constitutional amendments. That is the position of the government.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is very simple and I ask the Minister to say yes or no.

Is there a group of public servants working behind closed doors to prepare constitutional amendments while Mr. Spicer goes to the public and pretends that he is listening to them? Is the government doing a parallel exercise behind closed doors? Has it learned anything from Meech Lake?

Some hon. members: Oh, oh.

Some hon. members: What the answer?

Mr. Ouellet: An article in *The Ottawa Citizen* states that there are public servants preparing constitutional amendments.

My question was very simple, Mr. Speaker. Are these people working behind closed doors and, if they are, when are they going to produce their document? Will the Spicer Commission be appraised of what the government is preparing?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I realize the hon. member wants a simple yes or no. I think I gave him a very simple answer. It would be, in our view, totally imprudent to embark upon a parallel process at this time which would advance suggestions for constitutional amendment before hearing from Canadians from coast to coast.

I agree with the hon. member. Quite simply, the Meech Lake process may very well have failed because of the lack of broad-based public input.

Some hon. members: What is the answer?

Mr. Mazankowski: Well, the answer is clearly no. The fact of the matter is that we have a process in place. We want that process to work and, if it is necessary to develop recommendations for constitutional amendment, the government will act in a responsible fashion, as it would be expected to do.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment.

The Chief Justice of the Court of Queen's Bench rejected the sworn evidence of Environment Canada that irreparable harm to the environment will result from the continued construction of the Raffety-Alameda project. There are grounds for the appeal, as the Minister has pointed out, but, like the Oldman dam in

Alberta, the project may well be completed before the court finally rules, making the assessment no more than a coroner's inquest.

Has the Minister asked the Prime Minister to call the Premier of Saskatchewan to ask for a delay, to use the political process instead of the courts, and delay the project to allow for irreparable harm to be assessed? Or, is irreparable harm as acceptable to the Prime Minister as it apparently is to Premier Devine?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, as I have answered to some of my colleagues across the way earlier today, we are taking every legal step necessary to ensure that the full review process be conducted.

I fully understand that there are elements in this case which suggest that we can launch a successful appeal and allow the process of full environmental review to be completed. That is what we are engaged in and we hope to be able to succeed in that effort.

Mr. Jim Fulton (Skeena): Mr. Speaker, the Rafferty–Alameda project is being constructed under a second federal licence under the International Rivers Improvement Act.

Does the Minister really expect the Canadian public to believe that the federal government has no power to amend, to suspend, or to rescind the federal licence, keeping in mind that this is the second one that has been issued by the federal government, in order to allow for an assessment of irreparable harm to the Canadian environment? Does the Minister expect anyone in Canada to believe that irreparable harm means anything and then the government does nothing?

• (1440)

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the facts in this matter are very clear with respect to the licence. I mentioned them earlier and I will mention them again.

The licence was issued. The licence contains a number of conditions. In fact, I believe there are some 22 conditions to the licence. All of them, to date, have been respected and it is totally illegal for the Government of Canada to move unilaterally to revoke the licence at this point.

[*Translation*]

ENERGY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology, and it concerns Canada's sovereignty in matters relating to our energy policy.

[*English*]

For the second time in as many weeks, Premier Bob Rae has sold out Canada by giving provincial approval for the takeover of Consumers Gas by British Gas.

Some hon. members: Oh, oh.

Ms. Copps: I would like to ask the federal Minister of Industry if he is prepared to step in where Bob Rae fears to tread? Is he prepared to use his considerable powers, under Investment Canada, to block the takeover of Consumers Gas by British Gas?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I am delighted to say to the hon. member for Hamilton East that I will step in, not only with Premier Rae, but with former Premier Peterson who accepted the deal before he was defeated.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I can only anticipate that the Minister of Industry, Science and Technology will follow my advice of last week and instruct Investment Canada to block the sale. If he does intend to block the sale, can he give us his instructions to Investment Canada?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, of course not, because we consider, as did the Government of Ontario twice, that foreign investors are not a sin for Canada because they can provide a lot of benefits. It was considered as such by both governments in Ontario and we think that they were right. That is why we accepted the deal.

My colleague, the hon. member for Hamilton East, should know that investments are good for Canada and we would hope that she will support that kind of deal.

HAMILTON HARBOUR COMMISSION

Mr. Stan Keyes (Hamilton West): Mr. Speaker, my question is directed to the Minister of Transport and it concerns the continuing conflict of interest by the resigned Hamilton Harbour Commissioner, Peter Lush.

The legal opinion of a Toronto law firm, commissioned by the Minister of Transport, confirms that Hamilton Harbour Commission Chairman Peter Lush was in a continuing conflict of interest from day one.

How could the minister, a lawyer and the former Attorney General of Canada, have stood in his place and repeatedly denied the obvious? Will the minister admit that by ignoring the facts he was, in fact, part of the problem?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, when the allegations were first brought to my attention last March, we dealt with the situation to the satisfaction of all involved, including my hon. friend who first raised the matter.

When further allegations were brought to my attention, I engaged a lawyer from a reputable Toronto firm who rendered a decision which indicated that, in his opinion, there was a breach of conflict of interest.

I am in the process of writing to all the Crown agencies which have conflict of interest guidelines to apprise them of the report by the lawyer whom we commissioned.

Mr. Lush has resigned from the commission. The report has been made available to the RCMP and an investigation is ongoing. We consider the matter closed.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, in fact, what the minister said in a most recent exchange with me was, and I quote: "I looked into the allegations of last March", when I raised the issue nine months ago, "and found them to be untrue". Then he says he will look into this one, and I will bet the same answer stands. And yet, by the transport minister's own hand commissioning a law firm in Toronto to look into this—

An hon. member: A Tory firm.

Mr. Keyes: —the breach is there.

My supplementary is to the Deputy Prime Minister. Peter Lush has said that he would not have become a harbour commissioner if it meant giving up his listings, but the government made the appointment anyway. Since 1987, Mr. Lush has received over half a million dollars in commission fees while in a continuing conflict of interest. Will the Deputy Prime Minister seek to reclaim those moneys and then dismiss his Minister of Transport?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, the report has been made available to the Hamilton Harbour Commission. Any further action of a civil nature would be up to the commission. I am sure that they will review this matter with their counsel.

* * *

GOODS AND SERVICES TAX

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance. This government claims that the GST is going to help manufacturing companies in this country. Yet manufacturers which process and re-export U.S. goods, like Dart Machinery and ARD Industries which told me last week that on the contrary, the GST will hurt them badly. Why has the government forced these firms to pay GST when at this stage they do not pay the manufacturers' sales tax? Does the minister not realize that there is going to be serious damage to them in their competition with U.S. counterparts as a result?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it really does surprise me that the hon. member would ask this type of question. He is a member of the finance committee. He has participated in the studies of the GST. I am sure he knows that the GST will lower the cost of capital for all manufacturing companies, and for those manufacturing companies they are selling to.

I should also point out to him that there is indirect federal tax that these companies do not get credit for that they will get a credit for under the GST. This will result in substantial savings for them, a reduction in their cost of doing business and an improvement of their competitive position internationally.

If my hon. friend does not believe what I have to say, maybe he should speak to the Canadian Manufacturers' Association which since the middle fifties have been after successive governments to remove the existing sales tax and, most recently, bring in a tax like the GST for the very simple reason that it will improve the position of manufacturing companies in Canada.

Mr. Steven W. Langdon (Essex—Windsor): Perhaps, if the hon. minister does not believe me, he should talk to the dozens of firms across this country which are going to be hit hard as inward processors by this change in taxation. We are talking about thousands of auto parts and machinery jobs. The government has known about this problem since last May. Why has it refused to listen? Why did it introduce regulations on October 29 that make these manufacturing firms pay GST when he knows that this is going to damage these companies, their employees and their communities right across this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is a distortion of the impact of the goods and services tax on manufacturing companies. It is true that manufacturing companies do get credit for the direct manufactured sales tax that they pay on their cost of doing business, but it is also true that the manufacturing companies get no credit for the indirect federal sales tax that they are already paying today.

Mr. Langdon: You missed the point.

Mr. Wilson (Etobicoke Centre): He says I miss the point. With respect, Mr. Speaker, I believe that the hon. member misses the point.

• (1450)

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance. The mayors and other authorities of Makivik and Kativik, communities in the Nunavut region in Northern Quebec, are concerned about the implementation of the GST in Northern Quebec. Could the Minister of Finance inform the House today how the GST will affect the people of Nunavut in Northern Quebec?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the GST will be replacing an existing sales tax which already causes costs and prices in northern parts of the country to be increased. There will be credits against the payments made on transportation, transportation costs that are inflated today by the federal sales tax on fuels such as gasoline and diesel fuels.

I should also say to the hon. member that the changes the government has brought forward in relation to the northern benefits allowance for people living in northern parts of the country is also a benefit to a number of people who previously did not receive that particular benefit.

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the same minister. Canadians from the Northwest Territories, Yukon, Labrador and northern Quebec are in Ottawa today because they do not agree with the minister's concept of what this tax will do to them.

In Canada's northern communities, the cost of living can be up to twice what it is in the rest of Canada.

Given that the GST for northerners is going to be piled on top of their much higher cost of living expenses, will the minister at least be honest enough to admit that the GST is one more discriminatory blow against northern Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I repeat some of the same points I made in answer to my colleague just this minute. There is tax that is already in the cost to people who live in the north. The cost of food as an example includes tax today. That tax will be removed as a result of the GST so my hon. friend is wrong when he only focuses on certain elements of the sales tax system in the country.

I would also tell my friend that because the GST will benefit resource industries, which are important employers in the northern parts of the country, it will improve the economy of northern parts of the country because of the benefits it will have for resource sectors.

Mr. Jim Peterson (Willowdale): Mr. Speaker, when is this minister going to realize that his responsibilities extend to all Canadians, not just his few remaining friends on Bay Street? When is he going to listen to these people who have come to us from the north and

who know what the impact of the GST is going to be on them? Will the minister, please, at least listen to Canadians, especially to northern Canadians who are going to suffer most under his tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member completely neglects the impact of the GST credit on people who are living in the north. Many people in the north will receive the benefits of the GST credit, which will put them in a better position after the GST is in place than is the case now.

I say to the hon. member that if he is interested in helping those people, he will go down the hall and speak to the senators because the senators are clearly not listening to Jean Chrétien. They are ignoring Jean Chrétien. The senators down the hall are holding up the introduction of the GST with the GST credit.

* * *

CONVENTIONAL FORCES IN EUROPE AGREEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the Acting Prime Minister.

Today, the countries of NATO and the Warsaw Pact have concluded an historic agreement to significantly cut military forces in Europe and have virtually ended the cold war.

As a result of this treaty, I would like to ask the minister what will be the impact on Canada's military and foreign policy. In particular, what are the government's plans to redeploy Canadian forces in Europe, either to bring them home or to give them a new role as a result of these significant changes?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, I am pleased to respond to my hon. colleague's question. Again, it is recognized that the signing of the CFE treaty is indeed an historic event. I was there when they started this discussion a year and a half ago. We were all delighted at the outcome.

I think the hon. member also realizes that the reductions provided for in the first CFE are primarily on the eastern European side. On the NATO side, they are not as considerable at this point in time. Although all the details are not known, we do not expect that it will actually affect our Canadian troops in Europe.

Nevertheless, we have already decided that we are going to be reducing our forces by about 1,400. We will be looking, as we proceed, with CFE-IA as to what the potential impacts on Canadian military participation in Europe might be. I would also like to advise my hon. colleague that one role that Canada will be playing as a result of the CFE agreement is in the area of verification. We have taken an active part and we look forward to participating in what we think can be very important long-term benefits for the security of Europe through that participation.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in 1987 the government produced a white paper on defence policy which was based on a cold war scenario.

As a result of today's treaty and other changes in Europe, when will the government officially withdraw this white paper and put in place a process to develop a new defence policy consistent with today's agreement and other emerging threats to world security? When are we going to have some changes in this defence policy consistent with today's world?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, we all know that the world has changed dramatically in the past year. These are changes that I do not think anyone could anticipate. That obviously has impacts on our military strategy for the future.

That is why we have been undertaking a very intensive defence policy review and will be continuing that work and, hopefully, bringing it to a conclusion in early 1991.

My colleague will recognize that events in the Persian Gulf have an impact on this. We have to consider our military strategy with respect to Canada and its relationships in the total world, not just in Europe. That work is proceeding and we look forward to discussions with the defence committee and other colleagues, hopefully in the new year.

* * *

NATIONAL DEFENCE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, section 281 of the National Defence Act calls for a provincial inquiry in a report to the Secretary of State whenever Canadian forces are requisitioned by a province to deal with riot or civil disturbance.

Is the minister satisfied with the Quebec government's two page typewritten report, in the absence of an inquiry, as meeting the requirements of the National Defence Act, and justifying the expense of 22 million tax dollars, the embarrassment of Canada internationally, and a legacy of bitterness between Canada and its native peoples?

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for Status of Women): Mr. Speaker, the National Defence Act does not actually say what kind of a report. The report has been provided. I would not want to comment on that further.

What I want to say is that, as the hon. member knows, our Armed Forces personnel were used to assist in aid to civil order at the requisition of the province of Quebec. They carried out their task efficiently and very effectively so that the very difficult issue at Oka was able to be resolved without further bloodshed.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, compared to the $22 million spent on the military solution at Oka, negotiations in good faith would have resulted in the land claims settlement costing approximately $4 million.

Would the minister not admit that the government's failure to negotiate in good faith, and to fulfil commitments it made to the Mohawks many years ago, has resulted in military costs five times in excess of the costs of the land claims solution, in addition to the unquantifiable costs to Canadian society that will be borne for years to come?

• (1500)

The hon. member certainly knows that we are engaged in a process of negotiation with the people of the Mohawk community, the Mohawk Negotiating Coalition at Kanesatake, and the government. As it was doing before the unfortunate events which commenced on July 15, the government will resolve those matters in an honourable fashion on behalf of the Mohawk people at Kanesatake.

CANADA POST

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the minister responsible for Canada Post.

Last week in my riding I met with the residents of Fredericton Junction, a small village in New Brunswick. My question revolves around the four-tenths of a kilometre policy in relation to rural mail delivery. The post office has arbitrarily decided that the residents of Fredericton Junction who live four-tenths of a kilometre outside the village will now have to have rural mail delivery.

This creates some problems. It is a village that has mostly senior citizens. The physical construction of that town will make it virtually impossible for those residents to erect mail boxes. There is plenty of room in the existing post offices for them to continue to walk to the village post office to receive their mail.

Will the minister send one of his officials, a senior official, to Fredericton Junction to look at the circumstances of that town personally? Also, will he examine the flexibility of that system?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Canada Post offers every Canadian one mode of delivery free of charge, be it door to door, community mailbox, rural route or general delivery. From time to time changes are made, people move and so on, but the general policy is to provide that which has been provided historically.

If the hon. member is suggesting that the policy is not being offered here in an even-handed manner, I will certainly get in touch with Canada Post and ask it to look into the matter. It is a Crown corporation. I cannot order it to do so, but I am sure it will respond to my request.

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PRIVILEGE

STANDING COMMITTEE ON ABORIGINAL AFFAIRS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise on a question of privilege. On October 22, 1990 the member for Western Arctic presented a motion to the House which was adopted by unanimous consent. The

motion called for the subject matter of the events at Kanesatake and Kahnawake during the summer of 1990 to be referred to the Standing Committee on Aboriginal Affairs.

My concern arises from statements made by the chairman of the Standing Committee on Aboriginal Affairs to the media following the last meeting. He said in part, and I am quoting from *The Hill Times*: "I am not saying that somebody shouldn't look into this. I am saying at this stage the committee has a full agenda".

In the reporter's words, the member for Macleod said to the committee that the committee had a heavy agenda and could not deal with every issue. "He has suggested in the past that some issues could be handled by the justice committee".

The statements by the member for Macleod to *The Hill Times* lead me to the conclusion that he is not interested in having the Standing Committee on Aboriginal Affairs act on the terms of reference presented to his committee by unanimous resolution of the House, or else he feels that someone else should deal with the issue.

I am concerned that the chairman of the Standing Committee on Aboriginal Affairs is interfering with the corporate right of this House to require committees to undertake reviews. Such interference can only be contemptuous of the authority of this House.

I would therefore ask you, Mr. Speaker, to rule on the following questions. Can a committee refuse terms of reference referred to it by unanimous resolution of the House? Can a committee only examine a narrow aspect of the terms of reference assigned by the House rather than the subject matter in broad terms, as stated by the resolution in the House? Third, can a committee give low priority to the terms of reference assigned by the House in unanimous motion?

This is a matter of urgent concern for members. If we were to pass legislation with respect to the health and safety of airline passengers, and the airline or government agency decided not to accept the legislation, or to delay implementation, or to assign the legislation a low priority, members would be clamouring to the Speaker demanding action and respect for Parliament's decision. We should expect no less from our own standing committees and their officers.

Mr. Ken Hughes (Macleod): Mr. Speaker, I would like to speak very briefly on this question as chairman of the standing committee. Of course I await your guidance on this, in response to the hon. member's questions and points.

It is important to note in your consideration, Mr. Speaker, that the committees are masters of their own fate in making up their agenda. In fact, the committee had an open public meeting the week before last, in which the topics to be determined or the terms of reference for the committee activity were discussed in public. We agreed at that point to come back at an early opportunity to discuss further the terms of reference of this particular study.

It is important, Mr. Speaker, for you to know that the committee is currently in the process of discussing the terms of reference of this committee in this particular study and other issues on its agenda.

It is also important to note that the most recent meeting was held in public, which meeting was reported on by the media, and that subsequently comments were made by members from all sides of the House. I just wanted to bring those matters to your attention, Sir.

SPEAKER'S RULING

Mr. Speaker: I have heard enough. First of all, it is not a question of privilege, but I have listened carefully because I did not know quite where it might finally end up. It is not a question of privilege and, as hon. members know, it is not the place for the Speaker to interfere with committees.

Having said that, I listened very carefully to the hon. member for Macleod. The reason that I listened very carefully was that it is clear to me that the committee is still considering the matter.

I have said before that while the rule is that generally speaking, and certainly in most circumstances, it is not for a Speaker to interfere with the workings of the committee, I of course assume, having said that, that the committee is working. The hon. member for Macleod has made it clear that the matter is under consideration.

I am not saying today that if what was brought before me was an absolute defiance of an order of this House I might not have a different view of the matter.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I thought I should rise to inform the House that the city of Vancouver this weekend had a referendum on the GST, and it was 15 per cent in favour and—

Mr. Speaker: I certainly appreciate the interest of the hon. member to advise the House of what is going on in the city from whence I come, but I do not think that that is a point of order.

COMMENTS DURING QUESTION PERIOD

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am rising on a question of privilege arising out of Question Period, of which I have given you notice. I have also notified the Minister of Industry, Science and Technology.

In fact, during the course of Question Period the minister of industry made a statement which was false. He stated falsely in the House that the previous Liberal government had in fact approved the takeover of Consumers Gas by British Gas. We have been in touch with not only the former premier himself but also the treasurer. That is a false statement.

I am sure that the minister of industry would not want a false statement to remain on the record. I would like to invite him to use this opportunity to correct the record and to put the facts on the table, that his statement during Question Period was patently false.

[*Translation*]

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, during Question Period I said that the Premier— I did not say the government or the Ontario Cabinet— I said that Premier Peterson agreed with the Consumers Gas proposal, and he confirmed this during the election campaign.

Mr. Speaker, I maintain that what I said was true. I will make further inquiries, but I repeat, I maintain what I said during Question Period.

• (1510)

[*English*]

Mr. Speaker: I have listened to the hon. member for Hamilton East.

Ms. Copps: It is a false statement.

Mr. Speaker: Just a moment.

Some hon. members: Oh, oh.

Mr. Speaker: I wonder if hon. members would help the Chair.

I have listened carefully to what the hon. member for Hamilton East has said. I have now listened to the hon. minister. I am going to examine the "blues" carefully and, if it is necessary, I will come back to the Chamber. I may even hear further argument.

I do not need to hear further argument this afternoon. I am going to look at the "blues" and, if necessary, I will hear further argument.

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PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw the attention of members to the presence in the gallery of Dr. Laszlo Surjan, Minister of Health of Hungary.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*English*]

HAMILTON HARBOUR COMMISSION

LEGAL OPINION RESPECTING P. G. LUSH

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table the legal opinion respecting Mr. P. G. Lush, former member and chairman of the Hamilton Harbour Commission.

* * *

[*Translation*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

PETITIONS

GOVERNMENT RESPONSE

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 33 petitions.

* * *

[*English*]

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

GOVERNMENT RESPONSE TO FIFTH REPORT

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have the honour today to table in the House two documents on behalf of the Secretary of State for External Affairs.

The first is pursuant to Standing Order 109. I table, in both official languages, the government's response to the fifth report of the Standing Committee on External Affairs and International Trade, which was prepared by that committee's subcommittee on international debt and entitled *Securing our Global Future: Canada's Stake in the Unfinished Business of Third World Debt*.

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EXTERNAL AFFAIRS

TABLING OF REPORT

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I also have the honour, this time pursuant to Standing Order 32(2), to table, in both official languages, the Fifth Annual Report on the Administration and Observance of the Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa.

[*Translation*]

ABORIGINAL AFFAIRS

GOVERNMENT RESPONSE TO THIRD REPORT OF STANDING COMMITTEE

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, pursuant to Standing Order 109, I wish to table, in both official languages, the government's response to the third report of the Standing Committee on Aboriginal Affairs.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

REPORT OF CANADIAN PARLIAMENTARY DELEGATION TO INDIGENOUS PARLIAMENT FOR THE AMERICAS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I am pleased to present, in both official languages, the report of the Canadian parliamentary delegation which attended the fourth meeting of the Indigenous Parliament for the Americas in Guatemala City from October 8 to October 12, 1990. This was an international meeting of indigenous members of Parliament which provided an opportunity for parliamentarians to meet on matters of common interest.

Four major topics were discussed this year, including the desire of indigenous peoples to become more involved in environmental matters, in particular the UN conference scheduled for Brazil in 1992.

Other resolutions concerned the ILO Convention 169, human rights violations and the fifth centenary commemoration for 1492.

I am also pleased to report that Canada will be host to the fifth meeting of this parliament.

* * *

COMMITTEES OF THE HOUSE

REPORT OF LEGISLATIVE COMMITTEE ON BILL S-14

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill S-14, an act respecting the laws prohibiting marriage between related persons without amendment.

Routine Proceedings

REPORT OF LEGISLATIVE COMMITTEE ON BILL C-72

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I had the honour to chair the legislative committee on Bill C-72, an act to establish the Canadian Polar Commission. At this time I would like to present, in both official languages, the report of the legislative committee on Bill C-72, an act to establish the Canadian Polar Commission and to amend certain acts in consequence thereof.

In passing, I would like to give my personal thanks to members on all sides who participated in the deliberations and hearings of the legislative committee. Members dealt expeditiously with the legislation, which should have important implications for the north and for the Arctic areas.

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

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HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Neil Young (Beaches—Woodbine): I move that the second report of the Standing Committee on Human Rights and the Status of Disabled Persons, presented to the House on Monday, June 18, 1990 be concurred in.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The hon. member for Beaches—Woodbine has the floor.

Mr. Young (Beaches—Woodbine): Thank you very much, Mr. Speaker.

Mr. Gauthier: Mr. Speaker, we all agree that this report should be adopted. Why do we have to debate such a motion if we all agree that it should be adopted?

Mr. Riis: Mr. Speaker, my hon. friend is in a sense correct. We all agree with this report. My hon. colleague from Beaches—Woodbine wants to indicate a few concerns that go beyond the report, but we are quite prepared to vote on concurrence later today.

Mr. Gauthier: Mr. Speaker, my only point is that since we all agree, I hardly see the use of having a debate. However, if we are going to have a debate, I want to make sure that the member for Hamilton-Mountain will have a chance to make the remarks she wants to put to this motion. I understand that the government wants to put a speaker up also. If we all agree to having the motion now put to a vote, we will adopt it without debate, but if it has to be debated, let us make an agreement that we all have a chance to speak to this motion.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt, but until it receives further notice, the Chair feels it has sufficient grounds to recall that even if the motion has been adopted, a member may speak to it if he so wishes.

I therefore recognize the hon. member for Beaches—Woodbine. First, however, the Government Whip has the floor.

[*English*]

Mr. Hawkes: Mr. Speaker, I just want to make it clear that from the government point of view, the cabinet has reviewed the document and is quite in favour of all the recommendations. All members on our side would adopt the report and we could move on to other business of importance to the nation. When we are all in agreement like this, it does seem to be a bit of a bad use of the $2 million a day, or whatever it is it costs this place to debate something that we are all agreed to in the first place.

• (1520)

Mr. Riis: Mr. Speaker, when we are dealing with a whole set of recommendations regarding the disabled people of Canada, I do not think we need to feel we have to act quickly. A lot of thought went into this.

I have listened to the Liberal and Conservative spokespersons. May I suggest that we have one round of speakers each if they wish.

As a matter of fact we have offered that for many days. This does not come as a surprise. We have clearly indicated that this is our inclination, to allow us to get on with business, and yet have an important discussion by hearing from each of the political parties about the concerns of the disabled of Canada. I do not think that is expecting too much.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I appreciate the comments of hon. members, but once again, the Chair has no choice but to apply the Standing Orders, and I recognize the hon. member for Beaches—Woodbine.

First, however, the Opposition House Leader has the floor.

Mr. Gauthier: Mr. Speaker, I realize that the Chair is in a delicate position, but nevertheless, the NDP House Leader did suggest that we hear one speaker from each party. I think you would find that this proposal would meet with the unanimous consent of the House.

The Acting Speaker (Mr. DeBlois): Does the House agree with this proposal?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): I therefore recognize the mover of the motion, the hon. member for Beaches—Woodbine.

[*English*]

Mr. Young (Beaches—Woodbine): Mr. Speaker, I am quite surprised that even the motion itself caused some controversy. We happen to be talking about over three million Canadians who have a disability of one form or another. I would have thought the House would have welcomed an opportunity to say a few words not only about the report of the committee itself, but also of the response from the government to that report.

The committee report I referred to is the second report of the Standing Committee on Human Rights and the Status of Disabled Persons. It is entitled *The Consensus for Action for the Economic Integration of Disabled Persons*.

This report in a very clear, concise, unambiguous way reflects the frustration, impatience and even the anger of the disabled population in this country. I have been on this committee for some 10 years, since its inception, and it is the first time that I have sensed that deep sense of frustration among that important segment of Canada's population.

What this support does, Mr. Speaker, is not only offer an analysis of what the problems are in terms of government policy, or the lack of it, but it offers very concrete ways in which we can get at these problems. In that respect, this report has a very short list of six recommendations. It is not a wish list. It is not a shopping list. It is six very clear, concrete recommendations on what should happen between now and next June, National Access Awareness Week. It is as simple as that. It is not a very complicated report. It is very blunt. It is very clear, and it deserves a much more full response from the government than what we got a week or so ago on November 6.

Mr. Speaker, after reading the government's response I really wonder whether the people who wrote that response had even read the report. If they had read it, they certainly did not understand what that report was saying, or what the disabled community in Canada have been saying to this committee, this government, provincial governments, municipal governments and regional governments over the years. This report was not by way of giving advice to the government. It was a report to urge the government to take action over inequities that have existed within this community for at least the last 10 or 11 years since the *Obstacles* report first identified these problems. That was the purpose of that report.

We have had advice coming out of our ears over the last 10 or so years and this report did not have to give any other further advice. The advice is there for anyone to see. The advice is contained in the *Obstacles* report, in the *Obstacles* progress report, in the report *Surmounting Obstacles*, it is in the *National Policy on Transportation of the Disabled*, which by the way was adopted by this Parliament in 1983. It was the *Abella* report, Mr. Speaker, which you will recall dealt with employment opportunities. It was dealt with in the all-party report again, *Equality for All*. I could on and on about the countless reports and documentation that has been presented to this House.

I would be the last one to argue that there have not been some changes made in the last 10 or 11 years since the *Obstacles* report came out. However, I would make the argument that an awful lot of these changes have been marginal at best and very many have been cosmetic. There have been cosmetic changes and very marginal. That, again, is unfortunate and indeed sad.

In the government's response to this latest report, and especially to the six recommendations, they made a positive response on one and that is welcomed; that is to

fund a post-census survey of issues affecting Canada's disabled in the next census. That report is welcomed and it is extremely important because it will finally give us information so that we can talk to government departments and, indeed, cabinet ministers can use that very important information to formulate needed policies and to bring forward programs after they have had that information.

However, on balance the rest of the government's response was, to say the least, disappointing and extremely sad. The government response followed every cliché and argument that has been followed by every other previous minister in every other previous government. I would say it was a lack of response. They used exactly the same language that the previous government used to appease not only the committee but the people who were addressing the committee, who were coming to us with the problems, as they saw it, looking for some kind of redress.

One of the major problems in the government's response has been one that we recognized when we were dealing with the *Obstacles* report. We initially made those 130 recommendations on what we felt should be done to address the problems that society has, let alone the disabled community, because those problems affect us all. The one central problem is the lack of accountability. It is the lack of action, even if there is an expressed political will among cabinet ministers individually or collectively to do something concrete about these concerns. That is the key problem.

In fact, Mr. Speaker, if you go back to the original *Obstacles* report, you will find that the committee addressed that concern. Based on experiences gathered in other jurisdictions, particularly in Europe, where governments who had been a bit ahead of ourselves in many of these respects had told us that nothing would happen in a very positive way unless first of all a minister of the Crown was given sole responsibility, a policeman if you will, to make sure that not only other cabinet members but people in cabinet offices and in various government departments did what they were asked to do by the politicians. Based on their own experiences over the last 10 or 11 years, I suspect that is the one element that has been missing.

• (1530)

I am not saying it is being done in a bad way, but I am saying that the pressure has not been there. There has not been a process of accountability set up to make sure that people are doing what they are supposed to be doing. That is why we are still having problems with integration, both economic and social integration. That is the key problem and that is why we took the time to address those concerns in this particular report. The whole accountability question dominates this report. That is why we chose to title this report *A Consensus for Action*.

In the last year or so, we have heard not only from people in the disability community, but we heard from government bureaucrats, ministers, and a whole range of people in the public sector. We are convinced that there is a public political will to support change. There is no question about that. The problem comes from those people who are supposed to develop policy and make sure that policy is being enacted so that the political will that we have observed is actually carried out.

I have some examples of where the political will exists, at least on paper. The Throne Speech of November 5, 1984, insofar as it affects disabled Canadians, stated:

> It is time to recognize also the responsibility we all share to bring those amongst us who suffer from physical and mental disabilities into the productive mainstream of Canadian life.

That is a clear-stated government policy on November 5, 1984.

Now I will come to October 1, 1986. In another Speech from the Throne, the government stated that "Canadians recognize the courage and talent of our disabled citizens. Inspired by the example of Rick Hansen, we are made more aware of the potential for new directions and initiatives to aid the disabled."

On the next page it goes on to state: "Honourable members, you will be asked to consider amendments to the Canadian Human Rights Act which will represent further progress in the long march of this nation towards full equality."

That was in 1986. The government again, a week and a half ago, said exactly the same thing. What is the problem? Why are we not seeing these amendments to the Canadian Human Rights Act? It is a relatively simple demand. It is clearly understood. It is accepted by government. Why not do it? That is the second Speech from the Throne.

Now we come to 1988. If one recalls, it was a very short speech because the government had only one item on its agenda at that time. Again, in only two lines it said:

> My government is determined to secure the benefits of economic opportunity for this and future generations of Canadians.

That was in 1988. I would assume that that also included disabled Canadians.

Again, on April 3, 1989, it was mentioned. Mind you, Mr. Speaker, it was reduced to one-and-three-quarters lines by this time. It stated:

> It must make full participants of disabled persons and visible minorities. It is imperative that literacy initiatives, education, training and retraining of Canada's work force, especially our youth, reflect the requirements of a modern economy.

The Liberals before them made the same kind of statements that they wanted to do the same kind of good work for disabled Canadians. Mr. Speaker, we are still waiting. The problem is not just words.

If we wanted words, there are all kinds of nice words floating around. Everybody says nice things about the disabled community. What is absent is action. The words are very nice and they are very welcome, but it would be a hell of a lot better if we had some action tied to these words.

I want to give some examples about what happened and has happened successively since the tabling of the *Obstacles* report, and the government of the day's response to that report. Here is what the committee report says in reference to that.

Two years after the report was released, a gap showed up between the expectations of those committed to the findings in the report and the will of those responsible for the implementation of the recommendations. Initially, in December 1981, the government responded enthusiastically and made commitments to act on over 80 recommendations of the *Obstacles* report. In *Surmounting Obstacles*—that was the government's response—which was released in 1983, the government indicated action or active consideration of all recommendations in the original report, except those that were withdrawn or were outside federal jurisdiction. Where no direct implementation of the recommendations was undertaken, *Surmounting Obstacles* repeatedly stated that reviews were being undertaken, that data was being gathered, or that discussions were under way.

That is exactly what the minister's response was a week and a half ago. Exactly the same.

What the committee said in respect to the previous government's response was that this was a polite way of saying that many of the recommendations in *Obstacles* were quietly being shelved.

The gap between these expectations and the actions has widened ever since. It does not have to be that way.

I want to give a perfect example about what we are talking about here. In the government's response of a week and a half ago, an awful lot of emphasis was placed on how government agencies and departments, et cetera, were working together and what a really great job they were doing.

I want to read a letter that I received from the British Columbia Coalition of the Disabled, dated September 6, 1990. This letter was originally sent to Max Yalden, the Chief Commissioner of the Canadian Human Rights Commission. It states:

> Dear Mr. Yalden:
>
> Re: Access to Crab Park for persons with disabilities—
>
> We are extremely displeased with the Vancouver Port Authority's proposed plan to address the lack of access for persons with disabilities to Crab Park.

The Vancouver Port Authority is a federal agency. The letter continues:

> The access design they are recommending is totally inappropriate and has been rejected by the community and professional engineers for some considerable time.

You may not be aware of the thousands of volunteer hours that have gone into seeking an appropriate solution to this problem. Since December, 1986, community groups have organized public meetings, written briefs, lobbied all levels of government, canvassed the surrounding district and held demonstration picnics—

Three years ago, when Ms Joan Meister filed her complaint under the Canadian Human Rights Act we endorsed her position and have remained active in the ongoing community and municipal meetings.

According to the professional advice we have received and the consultations we have conducted, the Columbia Street overpass is the only viable solution to the access

problem. For this plan to be operational it is essential that the Vancouver Port Authority co-operate fully with the City of Vancouver.

In our opinion, the Vancouver Port Authority has been stonewalling the whole consultative process. Indeed, their latest proposal to you is merely another example of their unwillingness to act in good faith.

We are talking about an access to a public park controlled by a federal authority for disabled Canadians. They want to do this because there is an international congress and exposition for persons with disabilities to be held in that location in the spring of 1992. Among many of the dignitaries who will be at that congress, if we can refer to them in that way, will be the Prime Minister. What kind of message are these people sending to the disabled community?

• (1540)

I see it is indicated that my time is up, but I want to end with just one other brief policy area and that is with respect to the refunds under the GST that is proposed.

Many people will remember that the last time we made amendments to the Canada Pension Plan to improve pensions for people with disabilities, the federal Parliament authorized a substantial increase. By the time it got to the provincial level, provincial governments were grabbing the money. They were saying simply that this was a payment that had to be calculated when determining provincial benefits, whether it be welfare or disability pensions, and so they deducted an equivalent amount from the payments the province was paying to these people. It ended up a boondoggle to provincial governments, rather than going to help people who had disabilities.

There is a real fear the same thing will happen with the refunds under the GST if it passes. I asked the Minister of National Revenue a month or so ago what he was going to do about this. He said, and I quote:

> —the hon. member will know that the federal government cannot control the actions and activities of the provincial government.

Well, that is true and we all know that, but he can certainly sit down and talk to provincial governments and say to them that we do not want them to do this. At the very least, the Minister of National Revenue should be doing that. But he is unwilling to do even that.

I would ask every member of the House, not only to support this report in principle, but to sit down, read it, and lobby within our own caucuses to finally get the policy makers to do something in a concrete way about these very serious issues.

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I think there is a lot of merit in the motion of the hon. member for Beaches—Woodbine, but what I fail to understand is this. He made the motion asking for six recommendations for the government's consideration, I believe on November 7, and on November 8 he received a reply indicating a very positive response. I think that is only in keeping with the government's record.

I take as one example the co-operation with Rick Hansen and the Man in Motion Society to develop a school package for kindergarten to Grade 8, the Discover Together Program. Our government has done all kinds of things for the disabled people of Canada. I think they have come to know this and, in fact, a school is named after Rick Hansen in my riding of London—Middlesex.

Canadians can see the government is committed to those less fortunate and our record speaks for that. In light of that, when the member got those six positive responses, I wonder why he is taking time up today to debate this motion. He knows that we are in agreement for people who find themselves in this situation and, indeed, are doing everything we can to make Canada's society more fulfilling for all Canadians.

Mr. Young (Beaches—Woodbine): Well, if the hon. member had listened to what I said, he would know I said that I think political will existed. That is what I said.

I perhaps should have said at the beginning, and I mean this sincerely, that committee on disabled issues is probably the most non-partisan committee the House has ever seen. There was nothing partisan in me putting forward this motion. In fact, I do not think I used a partisan term or word in the course of my whole 20-minute discourse.

What I do say is that pointing a finger at this little item, or that little item, or another little item, is largely cosmetic. We want to see it become an integral part of government thinking—and I am not talking about just

the cabinet, but the government thinking policy-makers—to consider the disabled community when they are making decisions.

I wonder if the hon. member knows that, in the recent initiative on developing employment opportunities in Canada by Employment and Immigration, the disabled community was not even mentioned and was not even thought of. It was not until they mounted an argument and a lobby that they began to be even included. That is the kind of thing we want changed, not only in the federal government, but in provincial and municipal governments.

If the hon. member sincerely feels that we should not be using the time of the House to debate such an important matter, that is fine with me, he does not have to participate in the debate. But I would urge him to do so because this matter is of so much importance to the way we, the able-bodied, see Canada, that unless we come to terms with these very key arguments, I do not think we will come to recognize the problem let alone the solutions.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I speak on behalf of the government today to join in the concurrence in the motion that is before us and to acknowledge the valuable work of the Standing Committee on Human Rights and the Status of Disabled Persons in their report *A Consensus for Action—The Economic Integration of Disabled Persons*. I want to underline the government's commitment to the objectives of the economic integration for Canadians with disabilities.

On November 8 the Secretary of State for Canada tabled with the House of Commons the government's positive response to the second report of the Standing Committee on Human Rights and The Status of Disabled Persons. It was tabled in written form, as is the usual way, but it was also tabled in video form so that those persons who are unable to read the written word are able to appreciate the report also.

Every member of the House recognizes that 13 per cent of our population with disabilities, some 3.2 million Canadians, have a long way yet to go before they can achieve the same rights to access and participation in the life of our society and country that most of us take for granted. Nowhere is that more evident than when it comes to the question of economic integration. Persons with disabilities are among the poorest members of our society. Sixty per cent of the disabled in the 1986 census reported incomes under $10,000, and their participation rate in the paid labour force is only slightly above half of that of adult Canadians without a disability.

Without economic integration, very few Canadians with disabilities will ever know economic independence, and without that independence, participation in society will seldom be realized.

We know that within the disabled community of Canada there is a resource of talent and ability which, given the opportunity, can not only improve the lives of persons with disabilities themselves, but also contribute significantly to our society's growth and prosperity.

These are the beliefs reflected in the recommendations of the standing committee's report. When the government tabled its response to the standing committee's report on November 8, my colleague, the Secretary of State, clearly signalled its commitment to the chairperson of the standing committee, the hon. member for Oxford. I am so pleased that he is in the House today. He has shown nearly 20 years of commitment to the disabled community and he is to be commended for that tremendous work.

The government also shared in that letter to the chairman of the committee that we would build on the beliefs of those recommendations addressing the needs of persons with disabilities.

Let us look at the standing committee's recommendation and the government's positive response to them.

• (1550)

Recommendation one of the standing committee called for the Government of Canada to work with the committee, the voluntary sector, the private sector, labour and with the disabled community itself to bring forward a national strategy to achieve the economic integration of persons with disabilities.

What was the government response? In no uncertain terms the government pledged itself to the objective of economic integration. It pledged that not only would the minister responsible for the disabled work in partnership toward this goal, but that the Ministers of Health and

Welfare, Employment and Immigration, and Finance, would be partners in that work as well.

The obligation is given in the same sense of partnership through which the government supported the establishment of the standing committee itself.

One might also remember that it was this government which established National Access Awareness Week. That week is yet another model of the partnership called for in the standing committee report and has already, since its inception, led to new initiatives across our society to create better access for Canadians with disabilities.

Let us turn to recommendation two of the committee report. The recommendation calls for an effective cross-government mechanism to ensure constant monitoring, advocacy and co-ordination of policy, legislation and regulations on behalf of persons with disabilities.

Mr. Speaker, we believe that the only way to deliver such a mechanism and ensure its effectiveness is to engage the permanent members of the Public Service in the process. That is why we have already responded to this recommendation by establishing a committee of deputy ministers charged with this responsibility.

This committee will review regulations and policy and legislation before they become cast in iron. They will catch errors and discriminatory practices before they are put into effect. The idea is to create a mechanism which is proactive, not reactive. I believe this committee of deputy ministers will forge ahead in this regard.

Recommendation two and the government's response is to reflect the concerns of government, this House and the disabled community to establish a proactive mechanism as the heart of government, in particular for the future.

But what about existing legislation which may not reflect the needs of persons with disabilities; which may even support and sustain barriers between Canadians with disabilities and further integration?

This is the concern of recommendation three of the committee's report, which is addressed by calling for a comprehensive review of legislation and regulations and changes where necessary.

This is a truly mammoth undertaking, and I am sure that the committee, the chairman and former chairman of the committee realize how big a job this really is. It cannot be reasonably accomplished overnight, but it will be accomplished because if it is not, the whole process and purpose of monitoring and co-ordinating policy and regulations on behalf of persons with disabilities is indeed meaningless.

Our objective is to change, and it will happen. The government has already indicated in its response to recommendation three the scope of this review and its objectives. It has also stated that areas of legislation identified by the disabled community itself will receive priority consideration.

Recommendation four of the standing committee report concerns employment equity. I can well understand the frustration of some at what they may see as the slow pace of change within the federal government under employment equity.

I think it is important for all of us not to lose sight of the fact that even though the Employment Equity Act was passed in 1985, it is still only now coming into effect. But after the three-year waiting period and the first annual returns, we are beginning to come to a full evaluation and assessment of the policy and how it is working.

I believe it is working. Two years ago when the first annual report was tabled, only one employer within the jurisdiction of employment equity failed to report. Today, that company faces a $50,000 fine.

On the other side of the coin, however, more than 1,200 government suppliers have now signed certificates of commitment to employment equity.

In the federal Public Service itself, there are also advances. Between December 1988 and December 1989, the representation of people with disabilities in the management category rose some 1.8 per cent and 3.4 per cent in the administrative support category. In the same period full and part-time public servants with disabilities in indeterminate positions rose by 2.8 per cent and 2.7 per cent respectively.

On the committee's fifth recommendation, this government is the first to recognize that if we are to be serious in the objective of achieving economic integration or any integration for persons with disabilities, we cannot afford to ignore the role other levels of government can and must play in this work.

Integration happens on the local level. It happens in towns and communities and in our neighbourhoods. Access and participation are not abstracts, they concern the services, the localities of every-day life: transport, housing, recreation facilities, commerce, and the workplace.

It is the responsibility of all levels of government to work together within their jurisdictions to make integration happen. We cannot proceed to make changes and amendments in one area or at one level if we ignore the need for changes at others.

Again, this is precisely the approach the federal government has pursued in the past and will continue to pursue in the future.

As our response to the committee points out, federal, provincial and territorial ministers responsible for social services are at this time conducting a co-ordinated review of those services as they affect Canadians with disabilities. The ministers responsible for human rights have commissioned a report on employment equity initiatives for persons with disabilities. Our government has established the same co-operative partnership at the municipal level through the Federation of Canadian Municipalities in the promotion of national Access Awareness Week.

These are all solid initiatives. They are forging new awareness to the needs of Canadians with disabilities. They are also making progress in breaking down the barriers of ignorance and discrimination which have so often in the past prevented persons with disabilities from participating and proving their contribution to our society.

In 1986, the government undertook the first in-depth, post-censal survey to better understand the reality of life for those with disabilities. We learned much from that survey. But with that knowledge, we realize how many questions and issues remain unanswered. It is for this reason the government has responded immediately to the call in the standing committee's report for a 1991 post-censal survey as well. This second post-censal survey is very vital indeed. It is an expensive initiative in itself, $8.2 million, but it will be truly money well spent. It will be an invaluable tool in developing the policies to make integration for the disabled community a reality.

I believe that the government has responded to the recommendations of the standing committee in a forthright and positive manner. I am proud of what we have been able to accomplish, on behalf of Canadians with disabilities, over the last six years.

• (1600)

I have mentioned many of those initiatives, but there are others such as the disability tax credit, which provided Canadian with disabilities over $100 million worth of tax credits last year alone; funding of independent living centres; research into transport systems and to promote accessible transportation under federal jurisdiction; the establishment of the status of disabled persons secretariat; the Residential Rehabilitation Assistance Program; the endowment of a prototype national fellow program at the University of British Columbia; the Discover Together Program developed in partnership with Rick Hansen and the Man in Motion Society to change attitudes about the disabled among children and teachers in our school system; the job accommodation network which provides over 24,000 ideas to help employers make their places of employment accessible to persons with disabilities; and DISC, the Disability Information System of Canada which links disabled persons from coast to coast with a computerized network of information and services as well as with other Canadians concerned with disability issues. And there is much more.

We know that these initiatives are not by themselves going to achieve the integration, the access, and the participation of our society which is the right of all of our citizens, each of us, those with disabilities no less than those without. It is our determination to work together until these objectives are indeed attained. They are solid achievements on the road to that attainment.

The standing committee was determined to set the government an agenda it could not ignore. The government is determined to meet that agenda at every step.

In my closing remarks I would like to applaud the view expressed in the unanimity of the standing committee that the rights of the disabled and the need to integrate these Canadians into the economic and social mainstream of our country are too important to trivialize by making them the subject of partisan debate.

It is in this manner that the government has responded to the standing committee report *A Consensus for Action*, not on behalf of some Canadians, but on behalf of all Canadians and not least the disabled themselves.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I would like to begin by thanking the hon. member for Beaches—Woodbine for moving concurrence in the second report of the Standing Committee on Human Rights and the Status of Disabled Persons. This is an issue which should be non-partisan. By this I mean that all members should support the idea of a better way of life for those Canadians who are physically challenged.

I would like to preface my remarks with a brief history of our committee and how we come to this debate today.

In 1981 the report *Obstacles* was issued by the Special Committee on the Status of the Disabled, the first study of its kind in Canada. It was considered to be the most comprehensive study of this issue ever conducted by a parliamentary body. *Obstacles* made 130 recommendations dealing with a wide range of issues from legal, to social, to economic.

The government of the day took action on or gave active consideration to virtually all of the 130 recommendations.

In 1985 a subcommittee on equal rights of the Standing Committee on Justice and Legal Affairs conducted a study which led to the recommendations on access to federal buildings and employment in the Public Service and federally regulated corporations. In the government's response *Towards Equity*, the government cited that it had recently established the Disabled Persons Secretariat under Secretary of State and passed a piece of legislation now know as the Employment Equity Act as initiatives which would better the community.

Finally, in 1987 the government was persuaded to establish a standing committee to deal exclusively with the issue of the status of the disabled. At that time the hon. Deputy Prime Minister committed that his government would increase employment of persons who were disabled in the Public Service to 3.3 per cent and allot $15 million and 400 person-hours to achieve this goal, an initiative which unfortunately Canadians are still awaiting.

In 1988 the new standing committee issued its first report known as *No News is Bad News*. The committee stated that persons with disabilities were finding it difficult to access information. It recommended that the government act to make publications available in other than print media and to amend the Broadcasting Act.

The second report of this committee is what we hope to concur in today. Each member of this House has some area of responsibility, whether they be a minister of the Crown, a parliamentary secretary to a minister or a critic of a certain portfolio. Unlike most portfolios, however, the Status of the Disabled deals with several ministries and overlaps many departments including Communications, Transport, Employment and Immigration, Health and Welfare, and the Human Rights Commission. I could go on to argue that all ministries touch this issue in some way.

The point is that with all these areas to consider, one would think that consensus would be next to impossible to achieve. Through the political will of committee members, consensus was achieved through the very report which we now debate.

Before committee members reached this consensus they had to ask themselves how parliamentarians could best serve the disabled community. The first and most important step is economic integration. It has often been said that the best social program is a job. With it come pride of achievement, a sense of purpose, and the ability to provide for oneself and family. No individual wants to be dependent on the state, so why implement programs that create disincentives to work?

Given the great number of barriers to the disabled, the Employment Equity Act was a step in the right direction. Although in theory it is a responsible initiative, in practice the current act needs tightening. As this act is scheduled for mandatory review in 1991, I would take this opportunity to urge the Minister of Employment and Immigration to establish this review as soon as possible after the new year.

How can we best achieve economic integration? The committee report sets out the basic steps to begin this long overdue process. While we should recognize that this report does not provide the ultimate solution, we must also consider that the road before us is long. A journey of a thousand miles begins with just one step.

In its first recommendation, the committee urges the government to make economic integration a priority. There seems to be little point in discussing support services until action is taken on economic integration. The government must recognize that people with disabilities can be as productive as those of us without physical limitations.

Given the ever shrinking labour pool to draw from, employers would be well served to start drawing from this community, and this takes government encouragement.

As I have already indicated, this issue crosses many ministerial borders and in fact is affected by almost every act of this Parliament.

In the committee's second and third recommendations we suggest that all existing acts be reviewed in order to facilitate the 3.3 million Canadians with disabilities. We further recommend that all future legislation and regulatory instruments be drafted with these Canadians in mind.

Employment equity provides an opportunity for employers to see just how productive persons with physical limitations can be. By setting the example through the federal Public Service, it is hoped that private industry will follow suit. We must be careful in this area, however, as recently we have seen federally regulated employers double and even triple counting to meet target numbers.

In the committee's fourth recommendation we urge that an internal audit be conducted to determine exactly how effective this program has been.

Not only does the issue of the disabled and their economic integration cross ministerial borders and responsibilities, but it encompasses federal and provincial jurisdictions as well. For this reason the committee recommends that the issue be placed on the agenda of the next First Ministers' Conference to establish what kind of co-operative efforts and programs may be entered into.

As important as the recommendations I have already covered are, the most important and most fundamental is that of funding for research.

How can we set employment equity targets or tailor specific government initiatives and programs if we do not know what the disabled community needs or wants. This data is crucial to laying the foundation for effective economic integration.

In 1986 the government conducted a post census survey of the disabled. In this study Statistics Canada conducted interviews with over 112,000 Canadians with disabilities. This research generated the data that parliamentarians, departments, and national consumer groups co-operatively work with today.

• (1610)

In February I asked the minister responsible for Statistics Canada if such a study would be conducted after the 1991 census, and at that time he offered no satisfactory answer.

In early October I again asked the minister, who responded that the government still did not have an answer. Several days later I wrote to the minister and was informed that a post census survey would be conducted after the 1991 general census.

It is difficult to believe that so much consideration had to be given to a survey so fundamental to the employment picture across Canada.

All the individuals from the disabled community to whom I have spoken, as well as the national consumer groups, were very pleased to learn that the government intends to act on this survey; that is, until we learned the details. We understand that the budget for the 1991 study will be only 40 per cent of the 1986 budget.

If this government intends to make this issue a priority one would think that this study, which will provide the information necessary for the next 10 years to design government programs effectively, should be more comprehensive than the one conducted four years ago.

The time for talk is over. As the title of the report indicates, we need action, concrete action. Token initiatives such as Action Awareness Week will no longer suffice. Even the corporations, once great advocates and contributors, realize this point.

Recently McDonald's, IBM, and Esso have discontinued their funding for Action Awareness Week, indicating that research, not television and radio commercials, better serves Canadians who are physically challenged.

I am glad that we are having this debate now rather than last June, when the report was tabled. Now that the

government has tabled its response, it gives us a chance to compare and contrast the report with the response.

After reading the government's response and discussing in depth its contents with the many disabled groups it directly affects, I must tell hon. members that it is vague, patronizing and complacent. These are not my words but the words of the national consumer groups.

The response from the government advocates not action but more study and rhetoric. Members of the Official Opposition support action, and action is what the committee report advocates.

We will concur in the committee's report entitled *A Consensus for Action* and encourage all hon. members to follow our example.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

CANADIAN BROADCASTING CORPORATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table a petition which has been certified correct as to form and content.

This petition is signed by several dozens of Canadians who object strongly to the fact that the CBC has always provided a balance of Canadian programming of information, enlightenment and entertainment for people of different ages, interests and taste while offering Canadians the best of foreign radio and television programming.

The petitioners maintain that the CBC provides programming predominantly Canadian in content and character in English and French, serving the special needs of the geographic regions and contributing to the exchange of information and expression among Canadians.

Wherefore the undersigned humbly pray and call upon Parliament to ensure, as a matter of priority, that the CBC be further strengthened to serve as a primary instrument of Canadian cultural sovereignty providing high quality service to all Canadians of all expressions.

[*Translation*]

PARLIAMENT HILL

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I wish to table a petition from residents of Val-D'Or, Hull and Orleans who demand that the Government of Canada scrap the Hill project under which $68 million would be spent to build an underground parking and shopping centre under the federal Parliament Buildings. Your petitioners recognize the need to preserve the environment and the historic character of the Parliament Buildings and Parliament Hill in Ottawa.

Your petitioners also state that members should keep their outside parking spaces behind the Parliament Buildings, just like factory workers across Canada, and that the Government of Canada has more important priorities than providing underground parking and a shopping centre on Parliament Hill for members of Parliament.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, the following questions will be answered today: Nos. 345, 350, 357, 358, 370, 377 and 402.

[*Text*]

COST OF OPERATIONS IN AID OF THE CIVIL POWER IN OKA AND CHÂTEAUGUAY, QUÉBEC TO SEPTEMBER 24TH, 1990.

Question No. 345—**Mr. Harvard:**

To date, what are the costs of the Army operations in (a) Oka, Quebec (b) Châteauguay, Quebec?

Hon. William Hunter McKnight (Minister of National Defence): The total cost estimate for the Canadian Armed Forces Aid of the Civil Power at Oka and Châteauguay, Québec to September 26th, 1990, was $60.6 million. Army deployment in Oka and Châteauguay was part of the same operation, and the effect of

military movement between Oka and Châteauguay makes it impossible to provide separate costs.

COST OF OPERATIONS IN AID OF THE CIVIL POWER IN OKA AND CHÂTEAUGUAY,QUÉBEC TO SEPTEMBER 26TH, 1990.

Question No. 350—**Mr. Waddell:**

What was the cost up to September 26, 1990 assumed by the Consolidated Revenue Fund under s. 285 of the National Defence Act for the intervention by the Canadian Armed Forces in Oka and Châteauguay, Quebec?

Hon. William Hunter McKnight (Minister of National Defence): The total cost estimate for the Canadian Armed Forces Aid of the Civil Power at Oka and Châteauguay, Québec, to September 26th, 1990, was $60.6 million.

OIL SPILLS OR ACCIDENTS INVOLVING HAZARDOUS MATERIAL

Question No. 357—**Mr. Simmons:**

Has the Department of Transport (Canadian Coast Guard) taken any action to develop and put to the test the capability to deal with oil spills or accidents involving hazardous material, as raised by the Auditor General in his Annual Report for the fiscal year ended March 31, 1989 and, if so, what action?

Hon. Douglas Lewis (Minister of Transport): The Auditor General's report "focussed on the Coast Guard's contingency planning and its capability to deal with marine emergencies arising from the transportation of dangerous goods through Canadian waters. (He) did not examine the roles and capabilities of other participants in the joint response network."

The Canadian Coast Guard has had a limited capability to respond to spills of "oil and other noxious substances" since the early 1970's. The problem, as the Auditor General suggested, is not the absence of the capability, but rather defining and implementing an adequate level of capability. As the Auditor General's staff were conducting their initial interviews, the Canadian Coast Guard were developing a proposal for an improved capability to respond to chemical spills at sea. This enhanced level of capability should be operating by the end of this calendar year on a pilot project basis, jointly with the federal Department of Environment in the Maritimes Region.

With regard to whether the Coast Guard has taken any action to test the capability to deal with oil spills, the Canadian Coast Guard tests the five area annexes to the joint Canada–U.S. Plan at least once every two years, and domestic plans every year or more often. These tests include establishing and operating a command post and often involve the deployment of actual equipment at the exercise site. The purposes of these exercises are to test the plan for workability and to provide on–the–job training to responders.

The Coast Guard has placed a renewed emphasis on environmental response and emergency planning. The Public Review Panel Report on Tanker Safety and Marine Spills Response Capability, released on November 2, 1990, contains 107 recommendations for improvements to Canada's spill prevention and spill response systems. These recommendations will be analyzed carefully during the development of a detailed response to the Panel's recommendations. The review, which will include consultations with affected groups, is under way.

OVERALL RISK ASSESSMENT FOR PASSENGER FERRIES

Question No. 358—**Mr. Simmons:**

Has any action been taken (a) on the recommendation made by the Auditor General in his 1989 Annual Report, to do an overall risk assessment for passenger ferries (b) to set out the Coast Guard's objectives, jurisdiction and safety priorities and initiatives in this area and, if so, what action?

Hon. Douglas Grinslade Lewis (Minister of Transport): (a) The Ship Safety Branch, Canadian Coast Guard (CCG), has contracted with Management Consulting for a study of its discretionary, non–discretionary activities to determine priorities for the utilization of its resources based on risk assessment criteria.

The study is ongoing and is expected to terminate in the Winter or early Spring of 1991.

Also, in the wake of the "HERALD OF FREE ENTERPRISE" disaster in Europe, a team of Steamship Inspectors from CCG Headquarters and regions conducted comprehensive safety audits of representative ferries on the East and West Coasts. A joint government/industry operational safety working group was established (25 members) comprising representatives of ship and shore management from the five major ferry operators in Canada.

This working group played an active role in the development of Canada's contribution to the International Maritime Organization (IMO) Guidelines on Management for Safety Ship Operation and Pollution Prevention. The purpose of these IMO Guidelines is to provide those responsible for the operation of ships with

a framework for the proper development, management in accordance with good practice. The objective is to ensure safety, to prevent human injury or loss of life, and to avoid damage to the environment—the marine environment in particular—and to property. It was found for the most part, that ferry operators already had management practices in place which complied with the published guidelines. During the work of the study group, all major ferry operators in Canada not already complying with the recommended guidelines, agreed to comply.

(b) This subject will be addressed in the Discretionary, Non-discretionary Study presently under way. Also, a Marine Occurence Programs Division has been established within the Ship Safety Branch, CCG, which has as part of its mandate the conduct of independent safety research and analyses, to identify risks and potential safety deficiencies of vessels, including passenger ferries.

In addition, the working group mentioned under part (a) had, as its mandate to: 1) make recommendations on ro-ro ferry safety to the Canadian delegation to the Marine Safety Committee, 56th session; 2) consider the impact of ferry crew practices; 3) review shipborne management practices; and 4) review emergency plans for Canadian ferries.

The working group reviewed the safety audit team's report which indicated that many of the recommendations and some of the criticisms evolving from the "HERALD OF FREE ENTERPRISE" have already been addressed in Canada. Areas which will require further attention were identified, however, e.g. stability calculations and draught marks to be recorded. It was noted that the list of items requiring attention by the Canadian Coast Guard is not necessarily an indication of serious deficiency in ferry safety in Canada—several of the considerations are not even mentioned by the IMO documents and all of them are now being addressed. Positive comments were also noted such as the good communication between ship/shore management and crews.

CANADIAN FORCES SUPERANNUATION ACT

Question No. 370—**Mr. LeBlanc:**

Will the Armed Forces Pensioners and Annuitants be receiving an increase in their Survivors' Benefit to 60 percent in accordance with the Pension Benefit Standards Act and if so, when?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): A review of the survivor benefits payable under the Canadian Forces Superannuation Act is included as part of the Public Service pension reform initiative currently in progress. This and other pension reform matters will be given careful consideration and an announcement regarding the timing and content of amending legislation will be made at an appropriate time.

FISCAL YEAR 1990-1991—DEFICIT

Question No. 377—**Mr. Bosley:**

For the fiscal year 1990-91 (a) what is the government's present projection for the deficit (b) is the government considering reducing spending for the balance of the year in order to bring the deficit down to the original projection?

Hon. Michael Wilson (Minister of Finance): As indicated in the speech to the Canadian Chamber of Commerce in Edmonton on September 17, 1990, the Minister of Finance now expects that the deficit for 1990-91 will still be held under the $30 billion mark, but could run $1 billion and $1 1/2 billion higher than indicated in the February 1990 budget.

The government will closely monitor the situation and will continue to manage expenditures tightly to bring the final outcome for the year as close as possible to the original budget projections.

OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES

Question No. 402—**Mr. Althouse:**

Do Canadian Grade 11 students receive a complementary agenda calendar/time management booklet from the Office of the Commissioner of Official Languages and if so (a) what is the cost of producing and distributing this material on a per unit basis (b) what is the cost of producing and distributing this material on a Canada-wide basis?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): The Commissioner of Official Languages reports directly to Parliament and not through a minister. Questions can be made directly to him.

[*Translation*]

* * *

STARRED QUESTIONS

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, would you be so kind as to call starred question No. 367?

The Acting Speaker (Mr. DeBlois): Starred question No. 367.

Mr. Champagne: Considering the length of this reply, I would ask that it be printed in *Hansard* without being read.

The Acting Speaker (Mr. DeBlois): Is the House agreed?

Some hon. members: Agreed.

[*Text*]

DEFICIT/NATIONAL DEBT

*Question No. 367—**Mr. Duhamel:**

1. What are the expected figures for the (*ita*ro) deficit (*itb*ro) national debt at the end of the present fiscal year and do these figures include unfunded pension liability for current or former government employees?

2. For the fiscal years 1982–83 and 1983–84, what were the figures for the (a) deficit (b) national debt?

Hon. Michael Wilson (Minister of Finance): 1. The budgetary deficit for 1990–91 could run between $1 billion and $1 1/2 billion higher than the February 1990 Budget forecast, but is still expected to be held under the $30 billion mark. The national debt at the end of the present fiscal year is expected to be under $388 billion. These figures include unfunded pension liabilities for current and former government employees.

2. For the fiscal years 1982–83 and 1983–84, the deficit figures were $28,734 million and $32,723 million respectively. The corresponding figures for the national debt at the end of these years were $135,262 million and $167,985 million. These are revised figures and include the accounting changes introduced in the 1989–90 Public Accounts of Canada wich responded to the concerns of the government, the Auditor General, the Standing Committee on Public Accounts and the Canadian Institute of Chartered Accountants regarding the recording of liablilities for employee pensions.

[*Translation*]

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

[*English*]

MOTION TO ADJOURN UNDER S. O. 52

ENVIRONMENTAL POLICIES

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, according to Standing Order 52, I ask for an emergency debate to discuss the consequences arising from the failure of the government's environmental policies.

[*Translation*]

Our common future demands environmental policies and actions that are clear and, above all, consistent. It is obvious this government has no idea of what is required to protect the environment. It is also obvious that the inherent risks of such a situation are so great that there is an urgent need to debate this question here in the House.

[*English*]

Specifically the House must deal with the government's complete and abject incompetence surrounding Rafferty–Alameda, the failure of the government to exercise its jurisdiction in the case of Point Aconi, in the case of Kemano in British Columbia and the general failure of the government to exercise environmental jurisdiction in terms of native rights and health.

What is particularly worrisome is the fact that day after day the minister has stood up and said that Bill C–78 is this government's basic answer to the tremendous problems facing the environment in this country.

Bill C–78 is a bill designed to give tremendous comfort to polluters across this country. The bill is a weakening of the general guidelines which will apply as a result of

the Oldman and Rafferty–Alameda decisions. If Bill C–78 is this government's response to the problems that we face in providing environmental protection, then indeed we are going to be in a sorry state.

On that basis and given the government's failure to respond to the problems and opportunities before it—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order please. I may remind the hon. member that it is incumbent on him to explain to the Chair why urgent consideration of this motion is required, instead of immediately addressing the substance of the debate.

[*English*]

Mr. Martin: Mr. Speaker, the urgency arises from the fact that there is a series of major projects which are in the process of going ahead.

As was very clear in the Rafferty–Alameda decision, the court said that the reason it would not grant the injunction was that so many of these projects had gone ahead that it made no sense to the court not to proceed. It gave as its second reason the government's incompetence in allowing these projects to go ahead.

That is the reason for the urgency. This applies at Rafferty. It is now about to apply in the case of Alameda. It applies in the case of Kemano and it applies in the case of Point Aconi. Ultimately it will apply in the case of James Bay where the Government of Quebec is threatening to go ahead and build the roads.

This is a matter of extreme urgency. If the debate is not held now, one must fear for the environment.

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): The question raised by the hon. member for LaSalle—Émard is a very important one, but it does not at this time meet all the criteria provided in the Standing Orders for an emergency debate. Consequently, I cannot accept this request for the time being.

GOVERNMENT ORDERS

[*English*]

AIRPORT TRANSFER (MISCELLANEOUS MATTERS) ACT

MEASURE TO ENACT

The House resumed from Wednesday, November 7, consideration of the motion of Mr. Lewis that Bill C–85, an act to provide for certain matters respecting official languages, employees' pensions and labour relations in connection with the transfer of certain airports be read a second time and referred to a legislative committee.

• (1620)

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise today to speak on Bill C–85 which is of great importance to a lot of Canadians, especially to those in big cities such as Montreal, Toronto, Vancouver and across this country.

The government is moving into a state where it wants to sell all our country's resources. This is very important when we talk about privatizing the airports. Terminal 3 in Toronto has been privatized and Huang Danczkay has a cash for life lottery. He is raking in the money every single day. The government said that we were not making any money at the airports, yet last year the Toronto airport made $72 million. Who are we to believe?

Therefore the question is, should we go ahead and let this thing proceed or should we alter it? We of the Liberal Party have certain propositions that we would like to put forward and we have certain concerns.

One concern is safety. If what the government wants to do under Bill C–85 does proceed, would the safety of our passengers at major airports still be very vital?

An hon. member: There he goes again.

Mr. Karygiannis: My colleague from across the floor says, "there he goes again". Mr. Speaker, I would like to remind my colleague that in 1988 we had close misses at the Toronto airport. The government stepped in and said, "From 140 flights an hour, we are going to take it down to 70 flights an hour". Now they are ready to proceed to boost it up again. Also they are ready to build more runways.

The people around the area of the airport are fed up with the noise and say that we do not need any more runways. Yet the government says they are going to build a couple of more runways and that we will see about the safety. Do they care about the safety? One begins to wonder.

Only a couple of weeks ago there was a near miss at Toronto airport. I see my hon. colleague across the way shaking his head. I say to him that my constituents of Scarborough—Agincourt are very concerned when they go to the biggest airport in Canada.

Mr. McDermid: They don't fly as much as I do.

Mr. Karygiannis: He says they do not fly as much as he does. Perhaps it is because some of them them might not be at the trough as some of our friends happen to be.

Mr. McDermid: On a point of order, Mr. Speaker, the hon. member made an accusation by inference. I am sure he would want to reconsider exactly what he said. He is suggesting that because a member of Parliament flies often that he is at the trough. I am sure that is not what he meant because he probably flies just as much as I do.

Mr. Karygiannis: Mr. Speaker, if my hon. colleague thought that I said that he is at the trough, absolutely not.

However, Mr. Speaker, I remind the minister of the En Route-CN Express deal. I wonder when I called the minister's office about En Route-CN Express why his staff would not bring forward the papers. What were they hiding? When CN Express was sold to En Route were the people from CN Express not supposed to have a three year guarantee? Bring forward the papers.

Mr. McDermid: What are you talking about?

Mr. Karygiannis: What am I talking about? Mr. Speaker, we have seen privatization. We have seen how this government moves into privatization. Yet when it moves to privatize anything it is selling it away.

Mr. McDermid: Poppycock.

Mr. Karygiannis: Mr. Speaker, another thing which is very important is job security. This government wants to privatize our airports. Yet we are not sure if the people at the airports who are working for the government will continue to have job security. When the government privatized Air Canada, 2,900 jobs were lost. My hon. colleague shakes his head. If I am wrong on the figures, then correct me, but 2,900 jobs were lost.

Some hon. members: Oh, oh.

Mr. Karygiannis: Thank you. If there were a little bit more, thank you.

The government states that the quality of service provided to the public will continue to be at the same degree of excellence that it is right now. I fear that, if this goes through, we will find that the quality of service is diminished.

It is very important, when we talk about privatization, that we look at this government's record. We have a number of examples such as the En Route-CN Express deal and Air Canada. The government is talking about privatizing the Harbourfront and Petro-Canada. The government's record has to be put forward.

We should look at the books when we want to privatize something, especially something as vital as our airports. The safety of our airports, in the 20th century, is very vital and very important, for the simple reason that by the year 2000 the Toronto airport will be one of the biggest airports in the world. I cannot, for the life of me, understand and comprehend this government's move on this particular issue because I cannot see it as being a safe move and I see that the public will be hurt. Lo and behold, we may wake up one morning and find out that, because of the carelessness of this government's action, we have a major accident. That will have to be taken into consideration.

The other thing that we have to look at is that, right across our country, we have services at major airports that have been diminished. The government is saying that we are not going to have firefighters at airports after 10 o'clock. In Newfoundland after 12 o'clock there is nobody in the tower to make sure that the planes that are coming across are safe.

Some hon. members: Get it right.

Mr. Karygiannis: Members opposite will have a chance to get their glory but I would like to say that this proposal which the government is putting forward is a very dangerous one and we should look at it very carefully.

The Acting Speaker (Mr. DeBlois): The hon. member for St. John's West.

An hon. member: St. John's East.

Mr. Ross Reid (St. John's East): Mr. Speaker, I have always followed the member for St. John's West.

I plan to be fairly brief in my comments on Bill C-85. I wanted, however, to put a couple of things on the record. Our colleagues across the way keep falling back to the U.S.-Canada bilateral and also to the question of deregulation. I think it is important to comment on those and a couple of other items.

On the question of the Canada-U.S. bilateral air agreement, I think it is important to recognize that this agreement which was signed in 1974 is obsolete. We recognize that air traffic and air transportation are absolutely critical in economic development and in regional development. I think most of the members of this House will recognize—and certainly those who know something about Atlantic Canada do—that we depend quite heavily on air transportation for passengers and for freight but they also directly relate to economic development and to our ability to expand our economic opportunities in the regions. This agreement was signed in 1974 and does not take into account the numerous changes in the economy, and the numerous geographical changes in the country, that is economic geography obviously, not the physical geography of the country, and the need that new industries have for transportation back and forth across the border with the United States.

• (1630)

Americans already have access to most of our major cities. Meanwhile Canadian carries have access to a considerably smaller percentage of American cities. American carriers handle over 60 per cent of transborder traffic than do Canadians and earn $500 million more annually from this market than do Canadian carriers. That is an important consideration as we look at the renegotiation of this agreement.

We need to ensure that the Canadian carriers can effectively compete in the liberalized regime, and that the ongoing viability of the Canadian industry is protected and encouraged because it is the employment of the thousands of people who work for those airlines and the airports that they service, and the people who depend on those airlines, that we are talking about.

In terms of the bilateral agreement, it is important to recognize that we phasing in a number of the aspects of this and providing safeguards.

A number of my friends across the way have talked about sovereignty. It is important that we recognize right from the start that Canadian carriers will operate as Canadians and U.S. carriers will operate as Americans. National rules of ownership and control will remain in place and the right of establishment in the other's country will not be permitted.

We have had comments about safety. I want to talk briefly about safety. Whatever airline of whatever nationality that flies in this country, flies under Canadian safety regulations, not the regulation of their own country and not the regulation of another country. Any air carrier that flies in this country flies under the safety regulations of Canada. Our safety record is among the best in the world.

I would just comment on this little remark about the tower in St. John's, Newfoundland, what we know colloquially as Tor Bay. From 12 midnight to 7 in the morning, that tower would not normally have air traffic controllers in it. It is a situation that I do not like and a situation that I have spoken out against, but a situation that I understand and a situation that for now, I accept.

But I think it is absolutely critical to recognize two or three things. TransAtlantic traffic and traffic in the region is not handled out of St. John's and therefore will not be affected. Traffic in and out of St. John's will continue to be handled by radio operators who work 24 hours a day in St. John's, Newfoundland.

A great number of airports in the country, including a number in Newfoundland and Labrador do not have air traffic controllers in their towers. Some have no towers, but they continue to operate with flight service support. However, should the category two instrument landing system in St. John's, Newfoundland be needed to bring in the later commercial flights, personnel will be maintained in the tower.

It is important that we not make gratuitous and irresponsible statements in the House pertaining to air safety. I just wanted to set the record straight on that.

Let us go back, if we may, to the bilateral agreement with Canada and the United States. The government since 1985 has been trying to reopen that agreement,

primarily because the existing agreement does nothing to support job creation, does not allow us to be flexible to support tourist development, constricts us in our ability to attract investment, and makes it much more difficult for Canadians to participate in and grow in international markets.

The bilateral agreement is excellent news for a number of cities in the country. It is in those cities that the airport managers and the airport officials, the chambers of commerce, and a variety of individual industry groups and collective industry groups have encouraged the government to open up. Thus, Canadian carriers can develop through this agreement new markets in the United States and carry Canadians to new cities in the United States. Our options can be developed, as opposed to single carriers. Some examples are Halifax, Moncton, Ottawa, Hamilton, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, and Vancouver, just to name a few.

It is very important to these cities and the cities around them. These are cities where we have seen the development of hubs and that form a central core for regional air traffic.

Halifax, for instance, has become a regional hub for Atlantic Canada. Any of my colleagues who come from Atlantic Canada know every inch of the airport in Halifax intimately and have spent hours and days in the airport in Halifax. Anybody who travels in the region knows it only too well. Some of us even enjoy going there on occasion.

Mr. Angus: Where's VIA when we need it?

Mr. Reid: Believe me, VIA is not the answer. Maybe moving the capital of Canada to the Atlantic would be an approach that would address some of our problems.

Because we are operating under a 1974 agreement, our ability to develop the U.S. markets for our products and services is severely limited. In Moncton, we have a tremendous opportunity for air freight development, but is severely limited. In Ottawa, the business community has to go through Toronto to get almost anywhere in the United States. It is time-consuming and frustrating and does not serve the need of Canada's fourth largest metropolitan area with a booming high-tech industry, with other industries that have grown up in the neighbouring regions, and where access to the United States is particularly important. This is not to mention the growing tourism business and the attractions that the nation's capital of Ottawa-Hull provide to people in the United States.

In the great city of Hamilton, which is 45 minutes from Pearson Airport in Toronto, there is Mount Hope Airport. I recognize that it is quite flat and wide open and on top of the historical escarpment. Unfortunately, there is very little activity at the airport. It provides an opportunity, if we can develop options into the United States, for what we all know and were taught to believe in Newfoundland, is that the heartland of Canada is the industrial centre of Canada. There are options to Toronto and the Niagara Peninsula, the area to southwestern Ontario. It could be using Hamilton to develop freight and business travel and surely to develop convention travel in and out of Toronto. The options are wonderful. But under the 1974 agreement, an agreement that is 16 years old, that opportunity is not there. Hamilton is a marvellous example of why we need to change this agreement and broaden its parameters.

The economy in western Canada has changed dramatically in the last number of years. In the last six or seven years, we have seen substantial changes in the oil and gas business and substantial changes in the world of agriculture. In cities such as Saskatoon there is a growing high-tech industry. There are cities such as Calgary where there has been a development of a real service industry and where the opportunity to export these capabilities that Canadians have, particularly in the area of services. Manufacturing has grown in the west substantially.

I need not talk again about Vancouver which has this huge tourist potential that was seen with the success of Expo and as more and more Americans recognize that Canada really is the destination of choice and the place that they want to be.

We must be able to address those cities which have so long had a connection with the United States and which have understood the American economy and participated in it in a way that has been very difficult and constrained by the 1974 bilateral agreement. It is those cities and the areas around them that can really benefit economically, that can really grow with access to the American markets, and where we really can see some

opportunities develop, strictly because we have been able to improve our direct air transportation with cities in the United States. Of course, that is not to mention the opportunity to go to Las Vegas. I mean just to go south and gamble it. Life is a gamble enough, but with opportunities like that we must be prepared.

• (1640)

I want to talk a little bit, if I may, about the carriers and their employees. Let us look at the real wrecker of the Canadian airline industry. This is the industry that has encouraged us to open up the bilateral agreement and that has said to us we want to be able to go and compete, we need to be able to expand, and we do have the ability to compete. This is the same industry that we heard such terrible things about deregulation.

I recognize that the regional carriers, particularly, have had problems. Some of them are facing some tough times right now with the increase in the price of fuel. But it was with deregulation, we were told, that we would see a constriction of air travel, particularly in the regions. I need not remind hon. members about my own part of the country where everybody preached doom and gloom and that all the airports would be closed down.

I just want to put a few facts on the record. Among the top 146 domestic city pairs, which account for almost 90 per cent of air traffic in Canada, the proportion serviced by two or more competing carriers rose from 44 per cent in 1983 up to 77 per cent. That is with deregulation. The number of people flying from Cambridge to Waterloo is up from 44 per cent to 77 per cent in that they have two airlines. Among the top 42 communities in the network where about 95 per cent of domestic passengers originate or terminate their travel, all had at least two scheduled carriers in 1989 and half of them were served by five or more airlines.

We have seen the development of hubs and spokes. We have seen the development of competition. Passengers have options in terms of airlines, types of service, cost, frequency, and that sort of thing. It is important. The number of domestic city pairs with direct, meaning non-stop, or indirect, meaning same plane, service increased from 1,088 in 1983 up to 1,729 in 1989. That is up by about 60 per cent by my calculations.

In the top 25 domestic city pairs, the number of direct and indirect flights doubled between 1983 and 1989. This trend was applicable similarly in all regions of the country.

We are talking about the increased level of competition. If there is competition, the consumer benefits. The increased level of competition in the domestic airline industry has seen a broader selection of prices and services.

I have talked so much about central Canada and the cities of Hamilton and Cambridge, but it is important to talk a little about the Atlantic provinces. In Atlantic Canada, for 24 city pairs both jet and non-jet traffic has increased by over 30 per cent just since 1988.

That is two years. Even by my calculations, that is two years. Up 30 per cent. Direct flights in that region are up 25 per cent while indirect flights are up 61 per cent. The total seats available in the sample city pairs increased by 22 per cent. So not only are we seeing an increase in choices, an increase in options and increase in exposure, but we are also seeing an increase in the availability of spaces through all of this process as well. This was after we were told time and time again they are going to close down Deer Lake, they are going to close down Stephenville, they are going to close down Gander, it will not exist any more.

Just to give one example of a regional airline. In St. John's when you go out for a flight at six-twenty in the morning, twenty minutes after six, which is ten to five here and in your home, Mr. Speaker, it is ten minutes to five which means that we get up at half past three in the morning to get here by nine o'clock. Now, that keeps the Whip happy. It keeps our staff working. It gets us in the office on time to get some work, but our options are much greater. I used to have basically one choice, you came up in the morning or you came up at night.

If I have the opportunity to sleep in once a year or twice a year, I can come up at noon. I have two choices at three o'clock. This is the old schedule. I could come at two-thirty or I could come at three-fifteen and I got here by six o'clock. If I got a good taxi driver, I could be here for the vote and the Whip would never know I was gone. Or I can leave at five-twenty-five. Now granted I have to spend one hour and fifty minutes in the airport in Halifax, but I used to see my friend from Gander—Grand Falls. He would be coming through. I do not know

where he would be going and I do not know where he was coming from, but neither did he so it did not matter much. But we have that range of options.

I know I have been showing a blue timetable. Naturally I show a blue one. The other airline has very much the same kind of options. I can fly from St. John's to Deer Lake on one airline alone four times a day. I can do it to Gander as well and back again. Gander to Deer Lake is about 400 miles by road. In a straight line it is about 90 miles—in a straight line, I could not tell you. It is about 180 miles or something like that.

I think the important thing, Mr. Speaker, as we deal with this—

Mr. Rideout: You guys have never flown in a straight line.

Mr. Reid: —and I could talk about the increase, 16 per cent since 1988 in Quebec and Ontario, in 16 cities. I could talk about the 24 per cent in non-weekly flights. I could talk about the prairies and British Columbia, 20 per cent and 28 per cent as well, but I will not, Mr. Speaker, because you are telling me to carry on and my time is up.

I think it is important that we look at these things in perspective, that we look at the bilateral agreement as an opportunity, as a positive thing that our regional cities and our cities outside the great cities, the metropolitan areas of Montreal and Toronto, want the opportunity to trade and expand with the United States in tourism and in industry and the change in the bilateral agreement supported by what has happened in deregulation gives them exactly that.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. DeBlois): Questions or comments? The hon. member for Hamilton West.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to—

Mr. McDermid: Congratulate.

Mr. Keyes: Sure, I will congratulate the hon. member for St. John's East for speaking so highly of Mount Hope Airport in Hamilton. We all know that Mount Hope Airport in Hamilton, according to Transport Canada, is in fact the first alternate designate for Pearson International Airport for the future, but we, of course, on this side of the House believe that we have reached the future. The future is now because of the overcrowding at Pearson International.

The hon. member for St. John's East spoke of the hub and spoke system. We all know that the hub of course is Toronto's Pearson International, but the spokes are the 401, the 403, the 400—these are highways—all of them dangerous, all of them overcrowded, all trying to get to Toronto's Pearson International. That is the idea of the government's hub and spoke system.

• (1650)

Time and time again we tried to tell this government that the way we get around the issue of the hub and spoke in the Toronto–Hamilton scenario is quite simple.

The government should have the vision to see that there is a possibility of addressing the situation on a multi-modal aspect. That is when we think about Pearson instead of thinking about building a Pickering airport from scratch, as we have heard this government whispering about.

Take Hamilton airport. That is three quarters there to provide the alternative for Pearson International. We also consider the roads, the rail link so that we can have an efficient system, a hub and spoke system between them that would be completely efficient instead of spending the millions upon billions of dollars for new airports. We have the system in place. Hamilton, London, Kitchener: They are all there. They are ready.

The hon. member addressed the aspect of safety and then proceeded to say that some airports do not have overnight ATCers, air traffic controllers, in the tower. Some do not have a tower at all.

In Hamilton, the situation is this. The tower at Mount Hope does not have an overnight ATCer. It never has.

The hon. member for St. John's East is speaking of safety. Time and time again, when we tour Pearson International we walk through there, and I ask them the question. I say: "Time and time again, we have airlines that are diverted from Pearson that arrive too late to land and are diverted to Hamilton airport because there is no ATCer and are allowed to land."

Mr. McDermid: Yes.

Mr. Keyes: "Yes" says the hon. member for Brampton. Good. I am glad he is following me along very closely because the next point, contrary to the point of safety mentioned by the member for St. John's East, is that there is no way to ensure—the ATCers in Toronto confirm this—that a Cessna, a Piper or some small aircraft that decides it wants to take off or land overnight blows a tire, goes over on its wings, the pilot is unconscious and no one knows that that plane is laying there and in comes the big jet from Toronto to land at Hamilton. That is the ultimate.

I wonder if the member could explain the conflict between safety and the lack of it when we do not have the ATCers in the towers to confirm this type of scenario.

Mr. Reid: Mr. Speaker, I guess we could draw any number of scenarios of "what could" and "what if". My friend from Brampton, the home of Pearson, is close by, 10 miles away in the region of Peel. I think it is important to recognize that the systems provide for the inevitability and situations that my hon. friend talks about.

We have a controlled system throughout which ensures that airplanes can fly in a safe and in an efficient manner. The hon. member talks about St. John's. I will come back to Hamilton. I preface this first of all by saying I am obviously no expert in air travel except that I have flown in more planes, obviously.

The air traffic controller in St. John's plays a function in the use of the category 2 instrument landing system. Category 1 instrument landing system, the plane lands with the system and the air traffic controller is not needed, remembering that what the air traffic controller adds is visibility from the ground that is not there in a system.

Use of category 1, ILS in St. John's, that is not needed. Obviously, with VFR it is not needed either because for visual flight rules it is necessary to see before landing.

In St. John's, we have said: "If the late flight gets in at 12.40 o'clock it is perhaps not going to be able to land because of weather. The category 2 system is essential. The person will be kept in place."

As for a Cessna that has flipped over at Mount Hope, I obviously cannot account for how we specifically deal with that.

Mr. Keyes: You put an ATCer in.

Mr. Reid: No, that is not the answer.

An airplane that is flying around at Mount Hope has obviously got to have contact with a central tower in Toronto. Where the central facility is, I do not know. In our part of the world, they are in Gander and Moncton. The great city of Moncton controls the air traffic in the Atlantic region and also partly over the Atlantic. The same situation will exist.

An airplane is not going to move around a runway in Hamilton without making contact, as my friend for Brampton tells me, with Toronto. If something happens they are going to have to know where this plane is, and they are going to have to be able to make contact.

We can all come up with great, wild and wonderful examples. Our history in our airports and airlines is virtually unparalleled around the world.

The Acting Speaker (Mr. DeBlois): The hon. member for York West. Very briefly.

Mr. Sergio Marchi (York West): Mr. Speaker, I have two points. First, the hon. member for St. John's East talks about the unwillingness to reopen the 1974 agreement, which is I do not think quite accurate. The question that we on this side of the House have is not in revisiting and modifying old agreements, but in questioning the wisdom of the minister to go holus-bolus to the extreme and deregulating completely the 1974 agreement.

He also made reference to the fact that the Canadian industry agrees with the government's initiatives. The minister was very quick to point out Air Canada and Canadian Airlines being in agreement. If the hon. member checked a number of the media reports in the last week alone, he would find that both the chairman of Air Canada and the chairman of Canadian Airlines, who are the chairmen of our flagship air carriers No. 1 and No. 2, are getting cold wings about entering into a wide open skies concept.

Would the member for St. John's East who says that the Canadian industry is in agreement—and we have our two major air carriers now asking for the very minimum in terms of negotiated safeguards—tell us how the Canadian industry is in favour when our two major airline carriers as of last week are against a wide open concept of open skies?

The Acting Speaker (Mr. DeBlois): The hon. member for St. John's East. You have one minute.

Mr. Reid: Mr. Speaker, I very much appreciate that restriction.

An hon. member: Being set up.

Mr. Reid: There is so much to say and so little time to say it. I appreciate what my friend opposite says. I think it is important that we recognize this. I said in my remarks that it is important for us to phase in some of these changes, that we take this in a slow and deliberate manner.

Obviously to totally open the doors and say: "Anybody can fly anywhere they like" is not a solution for our carriers. I would suspect and suggest it is not a solution for American carriers, and we are not about to see that. This is a process of negotiation, a process that takes some time and depends on the local management of the airports. As you know, in the United States, in some cases they manage their airports differently than we do, and there are airports in this country that want to be managed the same way.

I would answer the question more completely, but the Speaker is telling me my time is gone.

The Acting Speaker (Mr. DeBlois): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Scarborough—Rouge River—Member of the Senate; the hon. member for Cardigan—Goods and Services tax; the hon. member for Okanagan—Similkameen—Merritt—Goods and Services Tax.

Resuming debate. The hon. member for Thunder Bay—Atikokan.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, just before I do, on a point of order, if I may? During the last question and comment round, you, Sir, chose to go to two members of the Official Opposition. I realize that you are still in an on-the-job training, if you like—

Some hon. members: Oh, oh!

Some hon. members: Boo. Boo.

Mr. Angus: It has been a practice in this House to try to attempt to distribute those questions.

I am pleased to contribute to the debate on Bill C-85. I must say that I listened with great interest to the comments from the member for St. John's East. I would have wished to have asked him to perhaps revisit his statistics. He talked about the increase in flights serving the various communities.

• (1700)

I would like to point out that if you trade in a jet with 90 seats or 120 seats, or whatever the big ones carry, for a couple of little jobs that carry 12, you are going to have a lot more frequency of landings and take-offs, but you are not going to have much in the way of difference, if not a loss, in terms of the number of actual seats available from community to community. I wish I would have had the opportunity to hear the member's response to that.

I did not hear much of the debate about the specifics of the bill during the last member's comments, nor even did I hear much of it or read much of it in the minister's comments or those of the Liberal opposition member who tended to talk about deregulation and open skies and privatization.

This bill is a bill to provide some protection for those employees who will be affected by the government's policy to turn over the operations of components of our airports. I wish we were debating a piece of legislation that establishes the policy for the devolution of those airports so that we in this House and the people across Canada could participate in the whole question of who should be running airports; not on the air side—and I think that is clear; even the government is saying it will continue to operate them—but the buildings and the land. Should they be a component of the Government of Canada, directly owned and operated on behalf of the taxpayers? The government is saying that it is not going to give up ownership. It is going to regain the ownership of the land and the buildings, but it wants someone else to manage them.

This started, not in 1987 as the minister indicated in his comments, but back in May of 1985 with the Nielsen report, the program review task force, which was the first to propose under the Conservative regime that the federal government consider changing its airport policy "to one of non-federal ownership and operation". Obviously it has gone away from the non-ownership to just operation.

In May 1985 the federal budget announced the government would pursue "the development of a new management structure for the federal airport system in Canada".

Two months later the "Freedom to Move" transport deregulation position paper, with which all of us are so very familiar, declared "options for a new self-sustaining system for managing federal airports are being developed".

By October of that year the then Minister of Transport had appointed an airports task force to consider new management structures for the federal airport system. The task force's report, released a year later, recommended the establishment of local airport authorities wherever possible.

On April 9, 1987 the then transport minister, now Minister for International Trade, announced a new policy allowing "provincial, regional or local authorities to assume direct management of airports". The minister cited cost efficiency and better service of local interest as the key goals of the policy.

If we read the words of the current Minister of Transport when he spoke at the commencement of second reading of this bill, we see that he said two things:

> Our objectives from the beginning were to allow the airports to better serve the local community interests; to enhance regional economic development potential; and to permit the national airport system to operate in a more cost effective and commercial manner.

Later, as reported on page 15263, he went on to say:

> But with local authorities at the controls, airports will be quickly able to respond to changing needs and market forces with innovative ideas.

It sounds like an ad for the junior chamber of commerce. I suspect the minister was once one of those folks before he turned grey.

Let me reiterate the key words: "airports will be quickly able to respond to changing needs and market forces with innovative ideas". Nothing could condemn the policies and the actions of this government more than the minister's admission that this government does not know how to be innovative when it comes to managing its airports in a commercial sense and that it does not have the ability to quickly respond. I do not say that personally in terms of the minister but in terms of the philosophy of the Conservative Government of Canada.

The policies of the transport department are such that it does not understand that public enterprise can be efficient and can be innovative and can return revenues, i.e. profits to the taxpayers.

Yet we have examples such as Pearson Airport. I do not have the figures here today, but it returns money to the taxpayers of Canada. Other major airports as well. Vancouver contributes back to the taxpayers of Canada. Other airports like my own and I suspect the one in Hamilton do not return a profit. It is not to say that they cannot, but under the current situation they have not been able to match their revenue with their expenditures.

The question I lay before us today is: Is the government just copping out of saying that it does not know as a government how to run an airport and therefore wants to turn it over to a community group so it can do it?

There are a number of dangers in this pursuit. We will have a situation where there will be two different groups operating at one facility. I assume we will have a manager of the air side of the airport: someone who is the senior person responsible for air traffic control where it exists, someone who is also responsible for crash fire rescue, someone who is responsible for the air traffic control and all the other systems that are outside the parameters of the building and the rental lands.

Then this community group or a provincial authority, because that option is there too, will be on site. It will be managing the building, managing the lands and deciding on who should rent what spaces.

I do not think it is clear, because we have not had the full paper debated in the House, as to who decides which planes get to park where. Is that part of the revenue base that is controlled by the community group? Is that part of the debate that has been ensuing within the Ministry of Transport for a number of years now about the removal of general aviation from our airports, to shuffle them off? This is not just from Pearson, where I recognize there is a different kind of problem, but even in my community of Thunder Bay. There is an attempt to price out of existence or to frustrate general aviation small plane owners and force them off to some pasture elsewhere in the region to keep them away from the

commercial airport. It is a very serious question. Is that part of the goal of this policy?

I am straying from my original plan. We are concerned about the impact on the operation of a national airport system. We are concerned about losing the ability to do the kind of cross-subsidization that occurs today, where larger airports are helping to pay for the operation of the smaller ones. We are concerned about hubbing. The hon. member who spoke before me talked at great length about how great hubbing was. He made reference with regard to the open skies to stop having to go Ottawa to Toronto to the U.S.A. I do not know where he has been, because about three of four weeks ago I went from Ottawa right into the States on U.S. Air. That service is there.

I will tell you, Mr. Speaker, that I am sick and tired—and this is no offence to the city of Toronto or Pearson Airport—of going Ottawa-Toronto-Thunder Bay and Thunder Bay-Toronto-Ottawa. We no longer have direct services which we had before deregulation.

One of the problems in this country—and it is part of the congestion problem at Pearson—is that so much is focusing through Toronto it is adding congestion upon congestion. It is creating the pressures that the Liberal member was talking about to expand the airport, to add additional runways to deal with the ever increasing growth of air traffic through there, as opposed to this government taking its responsibility and saying: "Yes, we need to have some controls".

• (1710)

We have to put some controls back into air. It was done in the United States. They started to re-control entry and exit in terms of landing rights and when one could fly. It was not through a monetary system, but it was basically saying: "Here is when you should fly" so that the burden could be spread across the full day rather than have the situation where you have some peak times.

We are also seeing the situation where in spite of the rhetoric of this government, rhetoric it has used time and time again when it says that safety shall not be compromised, there is no guarantee that a local airport authority is not going to put a building in such a place that it not directly jeopardizes safety but in the long term prevents the kind of modifications needed for the tower area and for fire-fighting areas and creates a situation where safety may be compromised.

It promised us that safety would not be compromised. All one has to do is read the transcript of the Dryden inquiry to see what really has happened. All one has to do is look at what has happened in Dryden. The Government of Canada, because jets no longer fly into Dryden, is going to eliminate fire-fighting services on a full-time basis.

There are situations where we still do not have the de-icing procedures at Pearson airport that were recommended. It was pointed out under the current situation that by the time the airplanes get to the take-off point they have been de-iced too long ago, that they should be going back to be de-iced again, but that they are taking off instead. It is an accident waiting to happen.

There are situations where Transport Canada officials are saying in testimony before the Dryden inquiry that they had no one on staff who could tell whether or not a particular plane was safe, that no one in Transport Canada had the expertise to make that determination.

We have had other reports which have indicated very clearly that the government knew it was not prepared for deregulation but went ahead with it anyway. I can appreciate a desire of the government to move forward with a political philosophy. I can understand in terms of its background in trying to ensure an unfettered marketplace. It does not seem to have worked in Canada. The reality of the situation is that it is getting worse and not better.

Let me deal briefly with the question of the employees. That is what this bill is about: how we treat the employees. It is appropriate to have legislation setting that out very clearly in the event that the government moves ahead with this policy as to how Crown employees should be treated.

In his statement on November 7 the minister said: "Permanent employees must be offered work by the local airport authorities with pay and benefit comparable to what they received in Transport Canada. It is a fundamental principle of the airport transfer process that the employees be fairly treated by the local airport authorities."

Does this mean that they are guaranteed whatever the federal Public Service union gets until the time they retire? No. It just means until their current contract is up. That current contract, depending on when the

agreement is signed, could be up a week later, the agreement being the one by the local authority to take over the operation of the airport. That is not much protection.

I also question the loss of the human resources. We have literally hundreds, if not thousands, of men and women working for Transport Canada at airports across this country. They are people who have made a commitment to the services of Canada. They are people with expertise. They are people who have been moving up the system. Do we all of a sudden cut them off and say: "We no longer want you; you are stuck at that airport for the rest of your life"? Or, do we cut them off from our federal system and they end up applying as external applicants, should something come up? This would mean that someone who has been in a number two position at an airport cannot move up to number one in another airport. We are losing a lot of talent and I think that is a real shame because the human resources of Transport Canada, by and large, are extremely well qualified and an asset not just to the ministry, but to this country. I think the government has overlooked that in its desire to carve out these operations and turn them over to the local community.

The other area that I am concerned about is the actual impact on the local economy. I have seen press reports. I have seen briefs from community-based organizations which say, yes, let us run the airport because we are going to set up basically a whole new mall in the airport to sell things, goods and services. Well that may work in a city like Toronto, it may even work in a city like Ottawa where your urban centre is at a distance from the airport.

However, let me ask you about the city of Thunder Bay which is one of the communities which has a group interested in becoming the local authority for operating the Thunder Bay airport. The airport is basically surrounded by the city now. There is no question about that. So if additional retail space is developed, designed not just to provide services to the normal clientele of that building, i.e. passengers going into and out of Thunder Bay and, in some cases, going through the airport as part of the regional hub that Thunder Bay has become, we are going into the community and drawing customers to a new facility on federally owned land, paying money to the federal government at the expense of existing small businesses and not so small businesses in the community. So there is that concern about that aspect as well. I think it is one that the government has not really considered nor, quite frankly, has the communities which have been so eager to wrap their arms around the concept.

The final point is that these communities, not all, but certainly mine—and I believe I have talked directly to the minister about this—is that they believe that becoming a local authority means megabucks following for the Minister of Transport's pockets, that they believe that that is the way that they will get their terminal rebuilt or their terminal expanded. I want to say today, because I have not said it publicly in Thunder Bay, but I want to thank the Minister of Transport for the decision not only to improve the existing terminal in Thunder Bay, but to accelerate the process so that we will have a new facility in time for the 1995 World Nordic Games which Thunder Bay is hosting.

Having said that, the community group that is interested in acquiring control of the Thunder Bay airport does so, at least in the public sense of believing that that will accelerate capital moneys, and I say they are wrong and the minister, I think, would agree with me that that is not part of the package so people should not be misled.

Mr. Speaker, I see that my time is up. I look forward to seeing this legislation in committee to make sure that we can beef up the components that deal with labour, with the workers, and pensions although, quite frankly, I wish the government would reconsider the policy of devolution to local and provincial authorities because I think the time is here that we maintain airports as a fully operated, fully controlled, fully financed federal authority.

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to ask the member for Thunder Bay—Atikokan to discuss a bit more about a couple of the concerns that we have with regards to this bill.

We have seen the situation where the federal government privatized CN Route and the absolute fiasco of what happened there where the assets were stripped, the employees lost all their benefits and their employment and where this federal government refused to have an adequate inquiry to protect those employees. The

federal government was responsible for the action. The federal government was responsible for the completely inadequate supervision when it privatized CN Route and left the workers out to burn, in some cases to lose their jobs, in many cases to face bankruptcy with the absolutely devastating effect on the families of those workers.

• (1720)

One of my concerns with this legislation is the fact that there are really no long-term guarantees that the same things will not happen with workers in various airports across this country.

We already have a situation where many local authorities are trying to privatize the work within their own communities. At the present time they have garbage collection done by employees of the city or the municipality or the local district. They are turning that over to private operators and as a result losing good paying work for that community.

What guarantee would employees at the various airports across this nation have that this would not happen to them, that as these new local owner-operators, these new municipal authorities take over, they will not in turn privatize these jobs, have them go out of the community in many cases, have them turned over to private operators, contract them out in such a manner that many of those jobs will become minimum wage jobs, with no benefits, no job security. If people try to unionize what will happen immediately is that the company will break up, form another company which will bid for the same job, have new employees and again pay minimum wage.

What guarantee do these workers have, what guarantee do these families have, that we will not have just another CN Route fiasco which has been perpetrated by the federal government, the Minister of Transport and all those uncaring people in the cabinet?

Mr. Angus: Mr. Speaker, I thank my colleague for the question. If we look at the past practices of the Department of Transport on the aviation side, we have a situation where in spite of our urging, the security of airlines is something that is left to the airlines to look after. They in turn contract it out to private security firms. We have urged the government to change that so that security becomes a direct function of the Government of Canada. They have consistently said no.

I think that in the way that my colleague has laid it out, and because of the way of the bill is worded, that once the existing collective agreement has run its course, and the employees are no longer covered by that collective agreement and the provisions therein, unless we can make changes to the legislation, then I would say that there is no guarantee whatsoever of any permanency for those employees. That is not to say there is permanency within the federal Public Service, but all of a sudden we are into a non-union situation, a situation where a local authority is trying to find ways to reduce costs. Yes, they will look to contracting out. They will look to buying services from other agencies, perhaps one of the new management companies specializing in airport management.

Instead of the Government of Canada being the central agency running the airports at Toronto, Montreal, Thunder Bay, Winnipeg, Calgary and Vancouver, it will be company *x* or company *y* that will put in place its own bureaucracy. There are two differences. One is the employees at one end will not receive the same kind of treatment that they have been able to get under the auspices of the Government of Canada. Second, there will be a slice of the income obtained from you and I as passengers, and you and I as customers that will go not to the taxpayer, not the Minister of Finance to help run things, but as profit to those agencies and those companies who are providing services.

In summation, there is no guarantee, and we need the legislation changed.

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I appreciate my hon. friend's comments. I understand where he is coming from.

I have just two points. I think we should not confuse privatization and turning airports over to local airport authorities. The whole idea behind it is to enable a local authority, made up of people from the region of Thunder Bay, for instance, to participate in the growth of the airport and the airport infrastructure.

By giving the local people an opportunity to do this kind of thing on a lease basis—not a sale or a purchase by somebody, where the hammer is still held by the federal government—they have to comply with the terms of the lease. They will be able to do that.

What I wanted to refer my hon. friend to is the bogey man of deregulation, and what it does for remote communities. I do not have the Thunder Bay figures but let us use another northern community.

Before deregulation, Sudbury had 17 flights a week. After deregulation, Sudbury has 105 flights a week. This is to Toronto.

The hon. member for Sudbury is here. I ask the hon. member, does she suggest that the people of Sudbury would like to go back to 17 flights a week? The hon. member is nodding her head, therefore I assume she is suggesting that the community of Sudbury would like to cut down all these darn flights that mean you can go any time of the day or night. Let us get rid of all that choice. Let us go back to 17 flights a week. That is just a little over two a day. Why have all that choice?

Talk to the business people in Sudbury. Talk to the business people flying to Sudbury. My hon. friend knows there has been a big increase in the economic outlook of Sudbury under the Progressive Conservative government. These 105 flights a week are part of the reason for that success.

Mr. Angus: Mr. Speaker, I found the minister's comments interesting because I am sure that Sudbury would really like to have jet service back. I am sure it would like to have the prices that it used to pay back. I do not know what the prices are there, but I can tell you that it now costs upwards of $700 to fly from Thunder Bay to Ottawa. Pre-deregulation it was $300.

There is still jet service part of the time Thunder Bay to Winnipeg. Other times, Mr. Speaker, you are down to as little as 12-seaters. The community of Dryden has lost its jet service. It has also lost its role as a hub for that part of northwestern Ontario. It has also lost a lot of economic clout because having jet service into that community was an impetus for them and assisted in its development.

When the minister says that deregulation is great, I can give him chapter and verse as to why it really has not met the theories that were espoused by his predecessor and are currently espoused by himself.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I am very glad that the minister is in the House. I am sure that my colleague from Sudbury who is standing behind me would certainly like to respond to those comments he made. Obviously that will have to wait for another day. I can assure you that those comments will be made.

While the minister is with us, I would like to publicly thank him on behalf of the people of Thunder Bay for his announcement on his last visit that he will be replacing the present air passenger terminal in that community with a much larger and a much needed new facility. Further to his commitment that this facility will be in place in time to meet the increased demands that all people of northwestern Ontario anticipate with the great influx of tourists that will come as a result of the Nordic Games, I thank the minister very much for seeing the wisdom of that need and obliging the people of the community with that very important transportation mode.

• (1730)

In 1987, the government introduced its policy of transferring the management of Transport Canada airports to incorporated business entities called local airport authorities. I am a bit disturbed, in listening to the debate the other day and as it progresses today, with the confusion seems to lie in what we are really talking about when discussing local airport authorities. That confusion seems to be between what is called the privatization of airports in Canada and the administering the local airport authorities under local airport groups.

I will take just a moment to explain my concept. With Terminal 3, which will be opened in the first part of February with the opening of the new airport, all privatization means is that a group of people have come in and invested $400 million to $500 million and built Terminal 3. They will be able to operate that entity on its own with the rental of space and the recovery of its $400 million to $500 million worth of expenditure over a period of years.

There is some confusion in the marketplace inasmuch as Terminal 3 certainly will be the result and will be paid back by the eventual payer in all business entities and that is the consumer. I have toured Terminal 3 and it is a beautiful looking airport. Given what we have been told that Terminal 3's rental structure is about four, five or six times that of the highest rental structure in Toronto now, which is the Eaton Centre, I wonder whether or not the consumer, that is the Canadian traveller, will be able to afford to use this facility.

In contrast to the privatization mode is the local airport authority. In simple terms, it will be an authority that is established to meet and respond to the needs of the community and can be analogous to a local municipal government. We all know that a local municipal government is very good in conducting its affairs because it is on the local scene. It responds daily to the needs of the community. It replies and gets on with the business of responding to the needs of that community. I would say this local airport authority is analogous to the municipal governments in our communities and will be responsive on a daily basis to meeting the needs of the travelling public.

The policy's objective was to build our airports to better serve local community interests, enhance regional economic development potential, and allow our national airport system to operate in a more cost efficient and commercial manner. Unlike the government's ill-conceived policy of deregulation, or its ludicrous intent to privatize Pearson International Airport, the concept of establishing local airport authorities merits qualified support. I will address those qualifications very shortly. It seems that if the three broad objectives of this policy can be realized then this policy has several inherent values and benefits.

Recognizing that a local airport authority could better represent needs and interests. In my community, the district of Thunder Bay, I have supported and assisted a group of very capable individuals who are waiting final approval to proceed and take over the management of our local airport. Let me assure the people of Thunder Bay that the running of the local airport will not be another cost that is given over to municipal authorities rather than being paid for by higher authorities. Let me assure that the cost or any deficiency in cost will not have to be borne by municipal governments. That is a question that permeates many small communities in the country today when they seem to think, because certain governments are giving over responsibility to them, that the costs that go with those responsibilities devolve to the municipality. As I am told and as I read this legislation, any costs that are incurred with the development of a local airport authority will certainly not arrive at the footsteps of a local municipal authority.

There is no question in my mind that the local airport authority is good for the economic future of our community. It will be of immense value to two areas that are not being presently serviced. The areas of cargo and jet service cannot be handled because of the deficiencies in our system. Let me assure the people of Thunder Bay that this local airport authority, if it should come to pass, will be good for the economic future of our community. If it is under local authority by local people, I doubt very much that we will ever see a demise of a very necessary transportation mode in our community such as we saw in the demise of VIA Rail within the last year. There was no local input into the affairs of running that area. Many small communities would have qualified support for the local airport authority, so that, in this immense country of ours, they can at least administer some of the transportation requirements that are conducive and that can respond quickly to the local climate and the local economy.

If given the opportunity, the group will be able to manage the airport and take action based on their invaluable experience as members of this community. Unlike some of those who make decisions here in Ottawa for northwestern Ontario, this proposed local group in Thunder Bay has an appreciation of what can and what should be done at our airport and other airports in the country to improve service and efficiency.

I am certain that this concept could also be applicable and should be applicable to Pearson Airport, the largest and most lucrative airport in Canada. Instead, the government, having privatized Terminal 3, is now moving to privatize Terminals 1 and 2. It would be a terrible mistake if we allowed Terminals 1 and 2 to be privatized at least before we have an opportunity to view the causes and consequences of how Terminal 3 is operating.

These private interests will operate the terminal based solely on the profit motive. There is big profit when one considers the investments at Terminal 3 of $400 million in the recovery process and big profits in what is proposed in Terminals 1 and 2. The numbers being heard are $800 in the recovery process on Terminals 1 and 2.

Unfortunately, in all business ventures, there is only one person who pays and that is the consumer. The consumer, in this instance, would be the Canadian traveller and I wonder whether the Canadian traveller will be able to travel into this vital transportation link in

the country, Pearson Airport, given the costs that will have to be absorbed. It would be fine for government people to travel on expense accounts and it is fine for business people who have expense accounts. But I wonder how many Canadians will be able to travel and afford to see Canada with their families, given the cost of air transportation in Canada as it is today.

It means that the consumer will not be able to afford to fly to Pearson because he will be burdened by these exorbitant costs and be deprived of one of the fundamental principles of what we try to achieve in the country, that is, unity. Unity is achieved by seeing what all other parts of the country is all about and living with these people. I am concerned that this will be deprived.

We are already aware of the projected higher costs of going through Terminal 3. Does the government believe that there will exist healthy competition between the terminal operators or is this a delusion? Terminal 3 will set the price standards and the other two will follow. It will probably be slightly lower but still very much unaffordable.

I also question, if an airport can operate effectively and efficiently with competing interests, where is the central co-ordination in all of our airports? On many occasions I have said that what Canada lacks is a transportation policy. An airport, irrespective of its size, capacity, or number of terminals, still has to operate as a very single, very unitary, and very co-ordinated unit in all aspects, on the air side, the ground side, and the security side. We have been told that, in these privatization movements, security will not longer be a factor governed by one integral unit. We are told that, in these privatization modes, there is no thought being given to how we move people to and from an airport. When one travels in any other country in the world, one of the prime considerations is how the people get to and away from the airport?

• (1740)

In Terminal 3, if privatization takes over in Terminals 1 and 2, we have spent over $1 billion and yet we have not enhanced the ability of the people who live in Toronto to get to and from the airport. There is no transportation mode to look after this facility and that is one of the areas in which privatization, in my view, is not operative.

One might argue that this is a strong case for privatizing Terminals 1 and 2 to the owners of Terminal 3. However, while there may be central co-ordination in this case, the cost of allowing one private interest to hold a monopoly at Pearson is unthinkable, in terms of price implications and the protection of the travelling public. It also remains to be seen whether Pearson will operate with even less efficiency, once Terminal 3 opens for business, without any co-ordination between the operation of Terminals 1 and 2 with the private interests of Terminal 3.

I can see but one solution to correct the problems which plague Pearson today and which will be exacerbated in the near future. The solution is simple: local airport authority for the city of Toronto. Scrap the idea of privatization and let us get Terminal 3 back into the fold. Let us allow local interest groups with a vested interest in the local community to decide what is best, not only for Toronto, but best for the air needs of all of Canada. It would be environmentally sound for people and look after the concerns about those sensitive areas that so many people have expressed to us such as the noise and the problems caused by increasing traffic in that vital area surrounding Pearson.

At the outset, I said that the policy of establishing local airport authorities has received my support. But, as I mentioned, it is a qualified support. If we recall the objectives of this policy, it is to serve local community interests, enhance economic development in those areas, and to become cost-efficient in those areas. I question if these objectives can be achieved, with the restrictions which will be placed on airport authorities, if we allow this bill to pass in its present form.

In 1987, the Minister of Transport announced supplementary principles to those established. Among those principles was that local airport authorities must offer affected Transport Canada airport staff employment in the same occupations, with the same salary they had before the transfer. The local airport authority will formally agree to adhere to provisions of the Official Languages Act with respect to service to the public and Transport Canada will continue to ensure compliance

with federal safety and security standards. The local airport authority must ensure the provision of crash, fire, and rescue services to Transport Canada services.

The bill before us today would legislate the requirements of the local airport authority regarding the Official Languages Act and labour relations. It is imperative that we establish, when a local airport authority takes over the operation of an airport, that Transport Canada remains responsible in all aspects for all air side operations and for the safety of that airport. On this there can be no equivocation. The safety aspects on the air side of transportation must remain in the hands of the federal government. Air traffic controllers, the climatic people, and the environmental people must all be under its control.

Local authority assumes, in full, the responsibility of the terminal or ground side facility only. The local airport authority should be afforded the flexibility to operate that facility in the manner in which it determines is most conducive to meeting the three main objectives of the group, that is: what changes can be implemented to better the service to the community; what can be implemented to attract more customers to the community; and what is needed to meet the needs of the region while operating on a more effective cost basis.

In its present form, this bill will restrict local airport authorities from acting in the communities' best interest. This is the qualification to which I spoke to earlier.

It is essential that the current employees at an airport which is to be transferred to a local authority must receive fair and equitable treatment, that all statutory obligations are met and that the present union agreements are adhered to.

All current employees must be given job security. Of that there is no question.

However, Mr. Speaker, it would be a serious setback for local authorities if they were not permitted to subsequently hire employees who are in the local community and who are deemed to provide better or more appropriate services based on cost-effectiveness.

To hire more employees who are more attuned and more reflective of the community needs. That is, once all obligations are met, the local group should have the freedom of employing the services of whatever individual or whatever company they will establish, in keeping with the norms established in that community.

There should be no obligation that employees of the airport be part of the federal Public Service and that the local airport authority be bound in any acts of the Public Service. Without this provision, we are in effect hamstringing the local groups from meeting the objectives that we had set earlier.

What we are doing with the act as it is presently set is a facade; the granting of authority to local groups without granting the responsibility for its operation. What we are creating in this present legislation, as I see it, is a local airport advisory group and I can assure you that the group that I meet with in Thunder Bay is not interested in becoming an advisory group unless it has some degree of control over the operation and the community interests; that it can respond to the community interest. I do not think they are interested in being an advisory group, and I am sure that there will be many groups in this country that would not want those restrictions placed on their role.

The current employees must receive—and let me emphasize that again—fair, equitable treatment in any local airport authority, but eventually the local airport authority should be given the freedom to make its own rules, set the criteria by which they consider that airport is going to operate in the future.

I see my time is running short. Let me emphasize, Mr. Speaker, by again repeating critical points: One, it is our understanding of this legislation that there will not be any direct costs to any municipality or provincial government that says that it does not want a local airport authority in place. The municipalities will be held free and blameless and will not be looked upon to contribute toward the courts' cost of administering what the airport will do.

The end result will be that the airport authority will eventually be responsible to the Ministry of Transport. More important, the Minister of Transport and his department will still be responsible for safety on the air side.

Let me close by saying that it can be nothing but responsive to the needs of our communities throughout this country. I made reference to Thunder Bay, but I am sure it is all communities in this country which can take

control over that vital need of transportation that we all need in a country as large as Canada.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I am quite surprised at the hon. member's presentation. I can certainly appreciate the need for local control, but I would think the government's motivation, if its track record is any indication, is one of cost-cutting and abandoning of responsibility.

I would like to use a parallel in the marine sector. I am hoping the minister can clarify the situation today. In the government's area of wharves and harbours, it looks to be that the harbours on the coast of British Columbia are approaching 75 to 80 years. In the past, it has been the responsibility of the government. What we get is an indication that it intends to abandon that responsibility as those facilities wear out and that anybody who wants it can rebuild it on their own.

I would ask the minister if he might through a comment on the member's presentation indicate to this House that that is not the case.

• (1750)

In a place like Zeballos, local control is important. Their wharf burns down and the Minister refuses to respond. They offered to try and come up with half of the cost of doing it and, again, failure to respond. Local organization and local initiative attempts to work with the department, and nothing. An example like Gibsons during the last election. They slap a blue sign up, a serious malfunction in the breakwater that causes a hazard in the harbour and it really needs repair, but again no response. Lots of local initiative and willingness to work, but nothing happens.

Mr. Skelly (Comox—Alberni): Who is the Minister of Transport?

Mr. Skelly (North Island—Powell River): Again, I share with the hon. member concerns that places like Klemtu and Bella Bella for years have attempted to get roll-on roll-off service where the cost of living is directly related to that facility and yet the Minister again—and I am not pointing out this Minister, I am speaking in general terms—but the Conservative Government is more interested in abandoning its responsibilities and forcing those costs on the community. Port Hardy in zoning and I would also use Coal Harbour where they were saying cost recovery is more important than working within the planning of the community. They disregard the advice of local people in the marine areas. They have fish plants tied up near tourist resorts on their harbour because the Department of Transport felt that getting a cost recovery or a return on their facility was more important than working within the zoning and planning initiatives of the local municipalities.

I think these kinds of things are really in danger with this airport idea. Places like Fair Harbour and Kyuguot where you cannot get garbage picked up and the federal wharves are absolutely inundated with garbage. There are local people trying to work on recycling solutions, trying to assist the department and it says: "We cannot do it".

I see we are drawing to a close. I would hope that the Minister would take an opportunity to respond. Does he intend to do the same thing with airports, abandon the community, allow them to take over the costs and essentially use it as a privatization and an abandoning of responsibility? I am hoping that the hon. member will comment on it and possibly the minister as well.

Mr. Comuzzi: Mr. Speaker, I thank my hon. friend for that question. He has mentioned some places which, I apologize, I have not heard of. I am sure they are not airports in this country.

What we are talking about here is a simple concept. What we are talking about is decentralizing the authority of the federal government from Ottawa to other communities in this country. As I see Bill C-85, it is a decentralization process that we have all come—those of us who do not live in and around this community—to grips with the fact that we are becoming just too big to operate out of one centre in the country and that there is a process in place to decentralize the decision-making powers in allowing smaller communities to participate.

Hopefully my friend and all of us are involved in this government. Whatever side of the House you sit on, we are all involved and we are all very interested in cutting costs. The only way we are going to cure the deficit and help in the debt is if we all put our collective minds to how we can administer this country, how we can keep offering the services that we and all Canadians have come to enjoy and still do it in a more frugal, cost-efficient method.

I suspect that the decentralization is one small aspect in this total operation of this country. But in one small aspect we have come to grips with one of those areas and saying that perhaps we can cut this huge expense in running the transportation requirements in this country by turning it over to those people who are most responsive in this country and from the community level to say that we can operate this perhaps more efficiently, more cost effectively and provide the same degree of service that we heretofore have had. So I hope that I have been able to answer the gentleman's concerns.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I have to rise today on questions and comments in answer to the Minister of Transport and his quotes on my municipality in my riding of Sudbury.

This is the second time that the name of Sudbury was used. The last time the quote said something about only having two flights a day. Today he is saying 17 flights a week. I have lived in Sudbury for a very long time, 28 years to be exact. The Viscount used to fly I think twice a day in the early sixties.

In 1980 I was elected to municipal council. We had very good jet service in those days. That is 10 years ago, by the way. We had seven jet flights a day in and out of Toronto, Sudbury to Toronto and back, seven. I do not know how you count your 17 but 7 a day. Then we had two jet flights a day east-west. We did not have to fly through Toronto to get to Ottawa or to get to Montreal. I am talking jet flights, two a day.

Mr. Lewis: That's without the propellers.

Mrs. Marleau: They were not propellers, they were jets. I will tell you that in the early 'eighties Air Canada was not interested in serving Sudbury with jets and tried to get out of it. We as a council commissioned a study and proved to ourselves as well as to Air Canada that we knew they made money on our route. That was back in 1980. That is not mentioning any of the other flights that came in and out. I am talking about jets only. Nowadays, today, we may have somewhat more frequent flights but we have 19 seater planes and 11 seater planes, and two of those seats are bumper seats. I tell you, it is not pleasant. We were far better served before than we are being served now.

We talk about privatizing airports, and government getting out of running airports. Do you know what they have done with the airport now in Sudbury? They have now said that after eleven o'clock or 10.30 at night, we will no longer have any fire or safety people on hand, so flights can no longer land at that airport. If they do, they do at their own risk.

Last week there was an Air Ontario plane that landed at the airport after eleven o'clock, no safety, no fire, nobody on hand. The Canadian Partners flights, and perhaps I should not be naming names but I am, chose not to land in Sudbury because there was no safety and landed in Toronto and put their people up in Toronto. They were coming in from Ottawa. This was last week alone.

I ask, what improvement in service are we talking about here? What improvement are we talking about? Yes, the people of Sudbury would far rather have jet service like we had in the early eighties than what we have today. I ask my colleague where is this whole business leading us? Are we dismantling the transportation system? Have I forgotten to mention that we are paying three times the price for a flight between Sudbury and Toronto?

I can recall when I sat on council being told what a boon it was going to be to travellers in Sudbury. We were going to get all this terrific service and it was going to be cheaper also. When you are a captive audience, they can charge what they want. You have no choice and you have to take it.

Could the member tell me what is going to happen to the sick people if they have to land at the airport in Sudbury? We are a northern referral centre for medical care.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please! The period set aside for questions and comments has now expired. Resuming debate. The Opposition House leader.

[*English*]

Mr. Gauthier: Mr. Speaker, on a point of order. After that great intervention by the member for Sudbury, I do believe the House would like to hear the answer and by House consent would allow him a few minutes to answer, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. DeBlois): With unanimous consent, I am prepared to recognize again the hon. member for Thunder Bay—Nipigon.

[*English*]

Some hon. members: Agreed.

Mr. Comuzzi: Mr. Speaker, I thank the House for the unanimous consent. My colleague from Sudbury asked some very pertinent questions. All of them have developed since 1984. I am sure the problems have increased since deregulation has come upon us in Canada.

• (1800)

However let me say that most of those problems are accurate. I have been to Sudbury many times and there is an absence of jet service from Sudbury and other communities. There was a time when we could fly directly from Thunder Bay to Sudbury to Ottawa. It was a magnificent flight, but it was closed down because of deregulation. We now have to go to Toronto through all the hub and spoke concept.

There is a need in the Sudbury airport. If there is any airport in northern Ontario that really and truly requires upgrading, especially to handle the disabled people in our communities, it is Sudbury and Thunder Bay. My colleague certainly has vital concerns about air transport through the airport in Sudbury and the services provided to the people in her community.

I can only say that a local airport authority with the proper terms, not the terms as outlined in Bill C–85, that are responsive to the needs of the people in Sudbury and to the economic community or Sudbury and surrounding areas, because Sudbury is the hub, can administer to the airport in her community. I wish that she would support me in changing the terms and helping me to impress upon the government that it should change the terms of Bill C–85 to allow local authorities truly to operate independently of the restrictions in this legislation.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, it is a pleasure after that interesting exchange to get up and speak on the bill.

I believe a great deal of the debate today has shown the mistrust that certainly this side of the House of Commons has toward the Government of Canada and toward whatever it is bringing forward.

The Liberal Party of Canada opposes the privatization of Canadian airports. We support the transfer of the administration and management of airports to local authorities under certain conditions, which unfortunately are not met in this bill.

The criteria that we feel must be met before the bill is adopted by the House include continued federal government guarantees of safety, security and accessibility, including accessibility for the handicapped, and full application of the Official Languages Act to the local authority. Continuation of service to the public is the paramount criteria in the operation of airports, as well as the availability of transport Canada expertise and experience to the local authority.

We think the bill has to include guarantees that local taxes will not be called upon at any time in the future to finance the debt load of a local authority in carrying out what is a federal responsibility. Finally we have the guarantee to employees of job security as employees of Transport Canada.

Since becoming the Official Opposition critic for Public Service employment and staff relations, the government's policies have given me, employees of the Government of Canada, and large segments of the public serious cause for concern.

The government's somewhat indiscriminate five–year downsizing strategy has dramatically increased the workload of Public Service employees. At the same time those who are left have been living in fear of being the next on the downsizing hit list. One result of downsizing has been a dramatic increase in contracting out. The global budget for federal contracting out has increased from $2 billion to $3.2 billion.

While the government divests itself of employees and of responsibility for standards of service to the public, it is unable to account for whether indeed it is saving Canadians money or not and whether indeed it is giving them better value for money.

The public accounts committee was told this spring in hearings it held that the government does not know whether or not contracting out is saving money. It does not keep a record of contracting out expenditures. It does not require a cost comparison of contracting out as a way of doing things, compared to doing it in house with its own employees.

The result has been an increase in other costs aside from direct contract costs, including dramatic increases in the use of overtime and term employment.

I want to come to some specific examples in a few minutes, but we see that the government has become a prisoner of the dogma of privatizing, downsizing, and contracting out. This seems a little contrary to a stated principle I heard just a couple of elections ago of creating jobs, jobs, jobs. It is truly unfortunate when we hear the government bragging about cutting 13,000 jobs in the Public Service, but with no ability to report to the public whether or not that is saving it money.

Clearly with this government privatization, downsizing, and contracting out is a question of religion, not a question of practical solutions to practical problems.

Service to the public has suffered under downsizing. When it comes to the transportation sector, the removal of resources has been clearly demonstrated to have had a serious impact on safety.

The strain to do more with less is affecting almost every aspect of the Public Service. Transport Canada has been understaffed despite an enormous increase in the demand for supervision of airlines since deregulation. In fact we have increasingly seen airlines self-regulating or self-enforcing the safety standards of this nation with respect to passenger travel.

In July, as just one small example, a study reported that the accident rate of Canada's major commercial airlines is more than twice the rate of their American counterparts. The government should ask itself whether or not deregulation and privatization will improve or worsen such statistics. I suggest that the government's policies will do nothing to help the situation.

I want to refer to a couple of specific incidents which I believe give us concrete cause for concern about how the government manages divesting itself of its responsibilities and passing them on to other people.

First, we have not seen a good history of financial responsibility in divesting and passing over national responsibilities to the private sector. We need only to remember the transfer of Boeing.

Second, when it comes to privatization, I will refer to the privatization of Air Canada. I wish we could replay in the House a tape of Claude Taylor a year ago as he spoke on *Cross Canada Check-Up* about the wonderful things we could do with Air Canada if only he was not hampered by the problems of being a government corporation. The service would be better. The prices would be better. There would be more profit. Everything would be wonderful with Air Canada, if only it were privatized and if only he were left to manage it free from the fetters that the federal government imposed on him.

Here we are just a little over a year later, and where is Air Canada? I can tell of my own personal experiences as a traveller. Prices are up far beyond the rate of inflation. Service has deteriorated. The number of flights available is fewer and fewer. Now we see 3,000 people losing their jobs in a corporation that was supposed to become more profitable, more business oriented, providing better and more service and employing more people if only it got rid of the federal government and its national obligations.

I want to go back to another classic case of privatization. CN Express was privatized a few years ago. We now know that the promises made by the government at that time about protecting people's jobs, protecting people's benefits, and protecting people's rights as employees were nothing but blowing in the wind. It was the government's intention from day one to divest itself of CN Express, to turn it over completely to the private sector, and to absolve itself of any responsibility for the employees who had served CN Express so well. We now have reason to know that there were certainly some questionable practices in the process by which CN Express was privatized and the people to whom it was privatized.

• (1810)

Now, just a few years later, the company is bankrupt. People have lost their benefits. I am dealing with one constituent who had contributed for many years as an employee to a pension plan and now cannot even be told what agreement was made between CN and the purchaser of the company that affects his pension plan and his contributions over many years of his working life. For two years he has been trying to get the information on his own assets and has not been provided with it by this government.

We know that once the government washes its hands of something, it washes its hands of any sense of responsibility for the well-being of the employees who have served it admirably over many years. I do not think the employees of airports can expect much better from this government if this bill passes as it stands.

We also have to be concerned about the transfer of enforcement of safety regulations and security at airports. All those matters need to be taken care of within this bill so that the government's responsibility for the national interest and the interest of the public remains clear and paramount.

We have to be concerned as well about a national approach to services that have linked this country together for many years. We have to be concerned not only about those wealthy airports where there is a profit to be made and where there is an interest in local authorities in taking them over to achieve that profit. We have to be concerned as well, though, about the whole network of airport services in this country; about those small airports that serve smaller communities that are not viable or not profitable but nonetheless are an important service to people who live in the many corners of this country.

We have accepted a principle that we share the responsibilities for making certain that people in all parts of Canada have an appropriate level of services such as transportation and communications services. We have always recognized that there are some parts of that network of service and links in communication that are profitable and some that are not. Where it is possible by the massive population and services to generate a profit, that goes back into the total system, the network helps to pay for those parts of the country which are less profitable and cannot pay their own way simply because of the sparsity of population, distance, and so on.

I am deeply concerned about what happens to those far-flung communities of our country when they are no longer part of a national network in which there is an opportunity to balance expenditures and revenues and to make sure that everybody gets the service they deserve.

I want to speak briefly about the impact on employees because it is an important part of our approach as the Official Opposition to dealing with this bill. We have said that it is incumbent upon this government to ensure that the employees of the airport affected by the transfer decision are not caught in the crossfire of the government's policy. We are concerned about preserving the collective bargaining rights of individual members affected by the transfer. Frankly, the provision in the bill that the collective bargaining rights end with the end of the next contract is not really very satisfactory. Many of the contracts of Public Service employees with their employer are under negotiation right now.

We are concerned about the loss in bargaining power by employees or their right to stand up for hard won benefits which they have gained over many years. It is a right that they have now as members of the Union of Canadian Transport Employees, a union of 12,000 members. If, for instance, the Edmonton airport were to be transferred to a local authority, the membership would be reduced to roughly 125 employees, clearly drastically reducing bargaining power.

Bill C-85 does not satisfy the conditions that we feel are necessary to protect the well-being of employees. Such things as job security and service to the public are things which public servants are interested in providing. Pension benefits are of great concern to the employees as well.

We have all seen how uncertain things are if we rely on the goodwill of the government. Certainly the CN Express employees have seen how the pension benefits they have contributed to throughout a working life can disintegrate if they rely on this government to protect their interests.

We are concerned—this Chamber has heard this before—about the applicability of the Official Languages Act and the number of ways in which this act would not apply to local airport authorities if this bill remains unchanged.

This is part of a general concern about the government's commitment to implementing national policies on a national basis. We have some concern about how the government will ensure that Canadians, wherever they live and wherever they travel, are entitled to a standard of service determined by their national government.

We are concerned about travellers coming to this country and gaining a good impression of Canada no matter at what airport in the country they happen to land. Yet it seems to me that under Bill C-85 local authorities would be free to adopt whatever criteria,

strategy, priority or labour practices they see fit to manage and administer transferred airports.

There is no guarantee that service at Edmonton, Calgary, Montreal or Vancouver would be maintained or enhanced as a result of the transfer. There is no provision in the bill for the sharing of expertise, knowledge and experience between Transport Canada employees who have that expertise and the local authorities to ensure the retention of those standards.

Finally, I want to say that certainly the opportunity for local authorities opens up some possibilities for better, more locally sensitive service. It also opens up or the risk that local communities will end up carrying a financial burden that this government no longer wants to assume to provide what is in essence a portion of a national service.

The legislation must protect local property taxpayers from a regressive tax, one not based on people's ability to pay from assuming down the line a financial burden that should be shared equally by taxpayers, the private sector and the Government of Canada as a national service.

I want to just quote from some statements that were made by Gordon Sinclair, president of Canadian Air Transport Association of Canada before the Royal Commission on Transportation and Passenger Travel Services. He was speaking about the privatization of Terminals 1, 2 and 3 at Toronto.

What he said was that developers are skimming the cream of profit off the top of airport operations, that the air carriers in this country do not want a repeat of Terminal 3 elsewhere in Canada. This is a contract that was decided on who derives the greatest revenue to Transport Canada and not what was best for the transportation industry or the travelling public.

This bill has a lot of flaws in it. I hope that the government is amenable to improving the bill so that hopefully, if it proceeds with this, it can be done in a way that will be most helpful to air transportation in Canada.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, the minister has been overwhelmed by the presentation and asks, "not more harbours". I was going to give him a bit of relief here.

An hon. member: Comic relief.

Mr. Skelly (North Island—Powell River): No, it is not comic relief. I was going to say that the minister is not known far and wide as an ogre and a heartless individual. I have known him for 10 years. He is a gentleman and a scholar, a man in whom great trust can be put.

• (1820)

There is one thing that surprises me. I wonder if the member for Ottawa West might care to explain to the House how one can shift and change. The project before us today was really conjured up by the member for Winnipeg South Centre. This was debated in the House when your party was government. It is ironic that today, when this could have been nipped in the bud years ago, if it is such an unsavoury and unwholesome activity, why the devil would your party have been the proponents of the idea? Perhaps she could explain why the hon. member for Winnipeg South Centre stood in this same House, making the same arguments that the hon. Minister of Transport is making. I know my colleague is not an ogre and a heartless individual. As the perpetrator, he is simply carrying out the wishes of the Liberal member for Winnipeg South Centre. Could she elucidate on that?

Mrs. Catterall: Mr. Speaker, I recognize that there are some people who have been around here longer than I have and who are growing perhaps a little long in the tooth. I can only assume that when they persist on harking back nostalgically to what happened 8, 10 or 15 years ago. I understand that is what happens when one lives on the sunshine coast, the ability to focus and concentrate on what is happening in the House is a bit difficult. I go there myself when I want to escape.

I also find it slightly anomalous that it is the New Democratic Party which is taking us back in history and refusing to recognize that this is many years later, and perhaps issues need to be dealt with in a different way than they were back in those days.

The bill before us clearly has many flaws and faults in it. We would like to see those flaws and faults corrected.

Mr. Skelly (North Island—Powell River): Mr. Speaker, I certainly will not take offence at the remarks about new and old. My compatriot, being a contemporary, seems as well preserved as I am.

The thing that disturbs me about the government's measure and certainly not the minister, is the example not just of airports but also of small craft harbours. The Conservative government recruited an organization, a consulting firm, to try and find a mechanism so that it can abandon all the small craft harbours on the coast of British Columbia. How could it get these into the private sector? How could it get rid of its responsibilities for operating costs and capital funds? I point out to the hon. member how serious this is. Those are the highways for all those communities along the coast, whether we are talking about the sunshine coast, Sechelt, Gibsons, Powell River, and areas that are extremely concerned that the cost of running the transportation system is being abandoned by the federal government and being placed on the local community which cannot afford them. The local economies will simply wither and die. Ultimately, we will see the greater concentration of people moving out of those areas and irreparably harmed.

The minister is certainly not responsible for small craft harbours but he is for the harbours and for the airports. I would point out that the government is not the author of this proposal. It was the hon. member's party, not six or seven years ago, that was standing in this House proposing the same thing. The government just happens, fortuitously or unfortuitously, to find itself bringing this into play.

Perhaps the hon. member could comment on the role of the Liberal Party in initiating these activities, and your co–operation and partnership with the Conservative Party who actually bring them to fruition. It is a strange conundrum that I do not quite understand.

Mrs. Catterall: I should point out to the member, first of all, that he forgot Roberts Creek. I know some people on the B.C. coast who would be quite insulted by that.

I think the member is truly testing me if he expects me to have a crystal ball to remember things that happened when I was not here. Either that or he has, as my House leader is telling me, a very vivid imagination and is creating something that never happened at all. I certainly do not intend to personally, or on behalf of my party, take responsibility for the bill that is before us today, tabled by the Minister of Transport in a government that Canadians simply are not going to trust to privatize anything because they know the results of its privatization policy.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, it is a privilege and an honour to rise today to respond to the bill before the House.

This proposal to privatize airports, especially the profitable ones, is a matter of serious concern for taxpayers in Canada. I think the old concepts of the Reagan and Thatcher era are starting to wear very thin. It is ironic that this government, as this concept is falling into disrepute, is just coming to fruition with so many of these projects.

I would use the example of the Social Credit government in British Columbia. We are waiting for an election there to finally put this anachronism away. That government privatized the highway system. It is amazing. I do not know of a single British Columbian who now approves this idea.

We watched the *Princess Marguerite*, hailed as a tremendous goal in privatization, go down the drain last week. Certainly it is a strange situation when the government moves into airport privatization.

I know that there are many people who want greater participation and it would be in the government's interest to develop a mechanism to get that local participation. Certainly bureaucrats in Vancouver have no feel for what is happening on the coast or in other areas of British Columbia. They certainly do not have adequate resources to meet the needs of those communities. They have been starved on one hand and they have had a great deal of difficulty in working with a regulatory framework to co–operate with communities.

I hope the government could find a mechanism other than privatization. I use the example of the harbours question because we seem to be much further along with that area of privatization. There are rumours rampant on the coast of British Columbia. I would like to deal in detail with these and hope that the minister might have an opportunity to rise and clarify the situation.

In every community along the coast of British Columbia the harbour is the transportation system. I would use as examples places like Klemtu and Bella Bella. The rate for food coming into those communities is enormous as

compared to the cost of food in the urban areas. It is shipped there by marine transport or air freight. For years they have asked for a roll-on, roll-off facility for trucks and trailers. It would have cut the cost of living in those communities enormously. It was completely ignored by the Department of Transport.

The failure to develop those harbours on a continuing basis means that they were given a 75-year life span. The rumour is that under this government the ministry intends to abandon these harbours after they wear out completely. In abandoning them, it hopes the private sector or the communities that depend on them will pick up the capital costs and operating cost. If they want a harbour they can simply put it in themselves. Well that is not going to happen. It is going to create an enormous problem on the coast because the cost of living is too high. The ability to maintain the local economy when the infrastructure is removed just is impossible. In the more inhabited area, we find large government injections of cash into airports and highway systems. In the smaller communities, that injection of cash is not there and, simply, it says that they cannot continue to exist.

• (1830)

It is my hope that the minister will stand up and comment that this abandonment within the next 15 to 20 years will not occur, that in fact the government has a harbour renovation program, and that they will continue to own and maintain those.

I would point to a couple of examples where people want to become locally involved but there is no mechanism by which it is permitted. Zeballos recently had their harbour burn down and it totally removed that area from their local economy. What is needed is a sharing. The community wants to get involved with the Government of Canada and the Department of Transport to help build a wharf. The original projection was about $1 million and it looked as if that were an impossible task for the government to deal with. The community came forward to say let it develop a wharf in which it could pay half the cost by pouring in rock and preparing the site and have the government simply build a wharf head.

It has been hoping for an early response to a citizen-community initiative to save the taxpayers of Canada money, but that has not been forthcoming. Here is an opportunity for the minister to become involved with community planning and to cut in half, literally, the cost to Canadians.

Kyuquot is an interesting example of the same type of thing. In Kyuquot the harbours are littered with garbage. The federal government has basically said that it is not interested in those wharves. Certainly it owns the capital facility, but it is not going to put in enough money to operate it. Places such as Kyuquot and Fair Harbour are littered with garbage. It is ironic that in Fair Harbour this year the garbage heaps were so incredible that bears became a threat to people using the wharves.

We really need some assistance here, and I hope the minister tonight has not abandoned those wharves and main elements to the community facility, but will indeed get involved with the people of Zeballos, Kyuquot and Fair Harbour.

In Alert Bay, the Nimpkish band needs that transportation for its fishing fleet which is the main core of the community. The government seemed interested in building harbours, renovating harbours and upgrading harbours anywhere but in Alert Bay for the Nimpkish Indian band. There was some token spending there that basically placed capital facilities in place, but it was not adequate to protect them. They have worn and deteriorated substantially.

I hope the minister is prepared to go there or to send officials to Alert Bay to say that the government is willing to work with them to bring the facilities up to standard. It has not happened for years, and it is extremely important that it does.

In Gibsons, British Columbia, again, there is the move toward privatization, the move toward abandoning government responsibility for public infrastructure, and essentially trying to throw off the responsibility for these very important public utilities to the local community and to the private sector.

There was a great furore during the last election. The breakwater at Gibsons was in a situation where there could at times be substantial wind damage occurring to the fleet tied up there. There was a need for a breakwater. A great big blue sign appeared and the government said it would fix this facility up for the people if they would just vote for it in the next election. Ultimately, nothing happened. It just simply carried on.

We are afraid that the minister, the government and the officials of the Department of Transport are working on a plan that will, as these wharves deteriorate over the next 15 years, abandon them and hope that the community picks them up or does without.

It is an ironic case where the government makes a great deal today about privatizing the airports, turning it over to a local community, turning the costs over and watching a general deterioration, if any of the other items are an example of this.

In the community of Pender Harbour in Madeira Park, it was interesting. The Seattle Yacht Club arrived in this community and simply purchased an area. It was a private sector initiative for harbour development. It turned around and encroached on the water leases of other folks in the area. Their neighbours were absolutely outraged at what appeared to be almost the co-operation of the government in permitting this kind of encroachment.

Here is a private sector group which came in, purchased an area, and then simply expanded the thing without permission or permit and we have a situation where the neighbours are hung out to dry by Transport Canada. The ratepayers group are outraged by it. The neighbours are outraged by it. The local regional board is outraged by it. Yet, the Government of Canada has moved along with the province of B.C. and facilitated literally a foreign outfit coming in and taking over against the planning initiatives and against the wishes of the local residents, a harbour project by a private sector group, the Seattle Yacht Club.

It is amazing the reaction of that community. Certainly in privatization, there is no willingness to play ball with local residents. If we are looking at trying to sell this concept with airports to local communities, I would say that the minister and the government has got a long way to go to regain the confidence of people along the coast of B.C. If it is talking about harbour projects, garbage, and numerous—

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I simply would like to point out that today's debate on Bill C-85 concerns the transfer of certain airports and also provides for certain matters respecting the benefits of employees at the airports in this country that would be affected by these transfers.

I listened to the hon. member since the beginning of his speech. He never addressed the subject or made the slightest reference in his speech to the subject before the House today. I simply would like to ask the House to consider the relevance of this debate and address the questions before the House that are relevant to Bill C-85.

The Acting Speaker (Mr. DeBlois): I again recognize the hon. member for North Island—Powell River, who, I am sure, will have benefited from the comments made by his colleague across the way.

[*English*]

Mr. Skelly (North Island—Powell River): Mr. Speaker, I do indeed appreciate the insight of my colleague from the Conservative Party, but I can understand why he is so sensitive.

In the last Parliament there were certainly a number of members of his party who came to the House in 1984 to 1988, preaching the privatization that they are now preaching with airports today, and the benefits of turning this over to local privateers. I am just trying to make the connection and show him how faulty the logic is here. They have done this with the harbours and now they are proposing to do it with the airports, but the population is up in the air about it. I am simply hoping that the minister will recognize that he has some work to do with the harbour issue, and his colleague, the Minister of Fisheries and Oceans with the small craft harbour issues. We certainly do not want the same kind of thing—we already have experienced this disaster in that area—that has happened to the airports.

If my colleague can follow through a little more closely, he will learn how basically unpopular this has been, and how there is a real serious necessity for a change. If it were not unpopular, possibly there would be some of the former members from the coast of B.C. sitting in the House, but certainly their constituents no longer have any confidence in them.

So, the wrong-headed approach in the marine transportation sector certainly is carrying over into the other side.

I do not want to carry on any longer with this. I am hoping I have made my point and I am hoping that the minister will take an opportunity to comment on a very serious matter. There is a feeling on that coast that the

government intends to abandon the federal government wharves as these harbours come on to their seventh-fifth year.

It is a matter of fact that in the small craft harbours sector there is a private consulting firm preparing a report to abandon small craft harbours. Of course, there have been numerous concerns about upgrading facilities that are a hazard, be it garbage, breakwaters, and what not. I am wondering if the minister might stand up and dispel some of those fears and see if we can indeed not be, I would say, pushed away from the concept of locally governing some of these airports. Maybe the minister could in fact stand up in the House and dispel some of those fears of British Columbians.

• (1840)

[*Translation*]

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

Some hon. members: Question!

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the Hosue to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion adopted on division and bill read the second time and referred to a legislative committee.

[*English*]

Mr. Lewis: On a point of order, Mr. Speaker. There was an understanding that upon the completion of the debate on the previous bill that we would call it seven o'clock.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the motion by the Minister of Transport to call it seven o'clock?

Some hon. members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, on October 24 I put a question to the Minister of State for Seniors concerning the effects of the goods and services tax on Canadian senior citizens. I now appreciate this opportunity to rise and bring this issue again to the House and truly hope that the response I will receive will be better understood by myself and the seniors of this nation.

The basis of my question was that the GST will place an added burden on Canadian seniors. The government may give some song and dance on the issue of credits and say that tax credits will control the impact on the goods and services tax, but in fact the GST will have a very negative effect on the seniors of this nation.

In a response to my question, the minister talked about social justice and said that essential goods will not be taxed. However, the minister's response fell far from the mark. There are many items that may or may not be taxed. It depends on how they are purchased.

The GST Consumer Information Office states clearly that if a medical device is bought with a doctor's prescription, the GST will not be added. If this device is purchased without a prescription, the tax will be charged. This discrepancy is quite alarming and will lead to confusion among seniors and, of course, Canadian citizens at large.

One example of that I would like to use to explain the problems associated is the able walker that was advertised on TV. This device provides walking and balance assistance to seniors. It acts as a seat if they are waiting for a bus and can be converted into a shopping cart when they arrive at the mall.

Sales of these items are booming, especially for the seniors who need just a little assistance to get around.

The problem is if you send for the able walker through the mail, are you supposed to send a doctor's prescription along with the cheque? That is considering that they went to the doctor. Nobody seems to know the answer.

The GST consumer information office feeds the same line. If the medical device is prescribed by a doctor, it is tax free. If it is not, the tax must be paid.

These people are supposed to protect the consumer's interest. Can a simple answer to a simple question like the GST and how it will be applied to a device of this nature not be explained to the seniors? For example, if they order through the mail or over the telephone, how are they going to send the prescription? These are answers that Canadian seniors deserve to have.

The way the GST will affect non-prescription drugs is costly. The GST will be applied to non-prescription drugs such as Aspirin, Ben-Gay and Sudafed, all of which many seniors take to care for common ailments.

The case of Aspirin is much more dramatic than others. Many senior citizens are on what is called Aspirin therapy to help prevent the reoccurrence of heart attack. With the GST, the cost of Aspirin, according to the information office, is expected to rise by 2.3 per cent. In order to avoid paying the tax, many people, including seniors, will go to the doctor to get a prescription.

What this will do will be to add to our medicare costs. It will also add to our provincial drug plans. It will add costs to both which, in the end, will be more of a cost to the seniors, and all Canadians.

What the government should be doing is exempting all medication, both prescription and non-prescription drugs, from the GST. Something that this government should also be doing is helping seniors on fixed incomes escape poverty. Almost 40 per cent of all single senior Canadians live below the poverty line, and this government is doing very little to help them.

The last time Old Age Security and GIS were increased above inflation was over six years ago. Now, for single senior citizens, the gap between poverty and the maximum income available from OAS and GIS is over $2,000.

The goods and services tax is nothing but a burden to the Canadian senior citizen. The difference in when the goods and services tax is applied and when it is not applied will cause a major confusion.

Requiring a prescription to avoid the tax will lead to increased costs to the health care system and to the provincial drug plans, which I explained before will in the end cause more cost to the senior citizen. The senior citizens are the people who made this nation what it is today, and this is unfair.

In response to my question, the minister spoke of seniors and said: "We are listening to them and trying to help them fill their needs." If the minister were listening and trying to fill the needs of the senior citizen, she would contact her colleague, the Minister of Finance, explain the great difficulties that this is going to place on the senior citizen and ask the Minister of Finance to axe the GST.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I think it is very unfortunate that the hon. member has discussed this subject in the way that he has. I listen to him and I hear there is a core of concern that he obviously feels for low-income Canadians and a concern for senior citizens in this country. In that, I think he is no different than any other member of the House. He is mischievous to an unnecessary degree in analysing and making the statements the way that he has.

• (1850)

The whole effort here is to take an existing tax of 13.5 per cent, lower it to 7 per cent and do in the process a spreading out to everything else so that it is fair for all Canadians, and that includes seniors. Within that, the government has decided no, there must something further done. There are two responses that it has taken that show exactly that it has been listening and has designed a very fair system.

The first thing the government did was make some exemptions. Basic groceries were exempted as well as services like Meals on Wheels. Those that are served in nursing homes will be tax free. No tax will be charged on most health and dental care, hospital and nursing home care. There will be no tax on prescription drugs and medical devices. Eye glasses, contact lenses and hearing aids will also be tax free. No tax will be charged on residential rents, municipal transit, ferry services, legal aid services, loans and other financial services. I mention those because all of those are the types of things that senior citizens in particular are buying. This is one of the

very special things that our government has done to be fair. It is a total difference from this black and bleak picture that the member has presented to the House.

The second thing the government did was to introduce a tax credit. This makes it a fair system for Canadians who are on low incomes, the very people he is speaking about. Under this new system, households with families with incomes of $30,000 or less are going to be better off than they are under the existing manufacturers' sales tax. As a result of this reform coming through right now, some 84 per cent of seniors will receive the GST credit. That is 84 per cent who will be receiving that cheque every three months to help them offset the cost of paying it. About 75 per cent of households that are headed by seniors or single parents are going to be better off. One cannot make those exemptions without drawing a line.

If everything was going to be taxed, there would be no differentiation between what is on one side of the line and what is on the other. Once it is said that these core things such as prescription medicines, basic groceries, residential rents and exempt them, then clearly there has to be a line of division. This is common sense and this is the way the law works.

For the hon. member to stand up and parade the case of Aspirin or a few other things that may be on the other side of the line and in so doing try to engender fear among the senior citizens of this country, is an outrage to the common sense of those good people. It reminds me of the same kind of fear-mongering that was heard from them in the last election campaign when they told the seniors of this country that under free trade trade, they were going to be losing their medicare. Medicare is still here. Also, that they were going to be losing all kinds of other goods services. Those services are still here.

MEMBER OF THE SENATE

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise in the adjournment debate this evening on a subject that was before the House approximately one year ago. I think that *Hansard* shows it as November 6. That is almost so long ago, I can hardly remember. Having to look back that far, it is hard to conjure up the adrenalin that perhaps I had at that time in addressing the issue in Question Period.

The question has to do with whether or not the government had conveyed to parties interested in reviewing a matter, the matter of whether or not a senator had breached either a statute, the Parliament of Canada Act, or conflict of interest guidelines. I had asked whether or not the government was able to provide to those who would investigate, and here I was thinking of the RCMP or any other agency that would have looked at the matter, a list of law firms that had been doing business with the Federal Business Development Bank. I would have expected the government to respond in good faith and say yes, we have or no, we did not or we cannot, but the government did not. The government's response was that my question should have been made part of the Order Paper, as a Question on the Order Paper. Needless to say, I was not very happy with that because I did not ask for the list. I was not fishing for the list. I wanted to know that the government was co-operating, in good faith, with those whose jobs required them to investigate that particular issue. That is why I rise in the House now to raise the issue again and place it on the public record here in Parliament.

The matter involved a public record that showed the amount of $104,000 had been paid to a law firm in which the senator involved was a partner or associate. It seemed pretty reasonable to me to ask whether or not that law firm was on a list and what types of business that law firm had transacted, in retainer, for the Federal Business Development Bank.

I was curious as to how a party who was a lawyer—and although the hon. senator is one with whom I work on a committee, I have not asked him personally but I think the question was certainly addressed here in the House—could have been unaware, as a lawyer, of some of the particulars of the statutes that were being spoken of at the time. At the time, I wanted members of the government to stand up and acknowledge the facts, as they were on the public record, and say that it would take a look at them.

A whole year has passed. I did not bother to ask for the list after the reply was given to my question, but I know there is a list because I and individuals with whom I worked back in the early 1980s were on the list. I was on a list of lawyers who did work for the Federal Business Development Bank in rotation. I will say that I did not

have a conflict of interest at that time and the issue before Parliament, a year ago, was whether or not the particular senator did. That issue has still not been answered.

I can suggest that the government is stonewalling when a whole year passes and the issue has not been dealt with. I think the voters of Canada are entitled to look for more, an improved response over that which was given to the electorate and to Parliament that day, a year ago. I think they deserve more than that and I want to point out that my role in opposition is one that requires all of us, on this side of the House, to ask questions like this and ask them fairly.

We do not want to convict anyone *in absentia* but we are certainly entitled to ask fair questions. It is our job. A lot of us actually do not like the job. It is not easy to stir the pot. It is not easy to have to stand up and point the finger and pretend someone else is a bad guy and maybe worse than other people in this world, but we have to do that in opposition. That is our job to ensure that the duly elected government follows a path that the electorate thinks is fair.

When the government strays, as it does from time to time, it is our job to keep the government honest. I often wonder what if I or my colleagues in the opposition were on that side of the House in government? Perhaps that is a possibility over the next few years. It may occur and perhaps it may not. I like to think that it would.

How would I like those questions to be addressed? I know that when I answer a question outside of the House, I like to answer it straight. If I have made a mistake or I am not sure, I would like to think that I would admit that.

• (1900)

On November 6, a year ago, this particular government began stonewalling on a minor issue but an issue involving conflict of parliamentarians. The issue has still not been answered. It has still not been properly addressed in this House or in the Senate, which has its own life, the other place.

I would like to think that some day, some time, some place there will be a minister who will stand in the House and deal with the issue in a very straightforward, honest manner, clear the decks, place the blame where it should lie, and get on with the more positive business of the country.

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, as the hon. member knows, his question is related to the dealings of Senator Cogger with the government and a Crown corporation, namely the Federal Business Development Bank, the FBDB.

The questions that were asked of the minister were answered at that time. He knows full well that there is an RCMP investigation into this case and, if he is a member of the bar, he would know that we cannot comment on this matter. It is under active investigation by the RCMP, an investigation that has repeatedly been reported by the news media over the past year. It is clear that the RCMP is conducting a thorough investigation to ensure that the Canadian public is informed of whether or not there is indeed a conflict of interest in the senator's dealings with the government.

In May, as I am sure the hon. member also knows, the special committee of the Senate created to look into this matter, and which I may add is made up of a majority of Liberal senators, suspended its hearings to await the findings of the RCMP investigation. This is normal.

In June a series of reports in newspapers across the country indicated that the RCMP had filed documents in the Quebec court describing in some detail the results of its investigation to that date. Since then there have been numerous other reports in the media related to the Senator Cogger investigation.

In light of what is obviously a very active, ongoing RCMP investigation, it would be improper for me or any other member to comment any further on the topic until such time as the RCMP has completed its work.

The member's colleague, the hon. member for Glengarry—Prescott—Russell, has already requested an incredible amount of information from the FBDB and, far from stonewalling, we have given him all the information he needs on this question of dealings between Senator Cogger and the law firm of Lapointe and Rosenstein. This information has been provided as requested.

In addition, both the bank and the Government of Canada have co-operated as fully as possible in making available not only documents but resource people as well to the RCMP while it carries out its work.

I have no doubt that the answer to the hon. member's question will be clear once the RCMP has completed its investigation.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, on October 30, 1990 I asked the Minister of National Revenue a question with respect to the potential for companies under the GST to inflate their inventories in goods and services tax rebate claims.

This question arose out of the 1989 Auditor General's report wherein he pointed out that unless the government tightened up its ship in Revenue Canada it would be having difficulty in meeting the problems arising from the goods and services tax.

He pointed out that there were approximately 75,000 registrants under the present manufacturers' sales tax and that it would be going up to well over a million under the goods and services tax.

He questioned the ability of Revenue Canada employees, with the present system, to be able to do anything about that effectively. He raised the question of fraud, not only as it related to the manufacturers' sales tax, but he extended it to that of the goods and services tax.

Under some questioning this year, it appeared that the Auditor General was not yet satisfied that those loopholes had been closed. Let me revert to the 1989 report in setting out the problem in the Auditor General's words. In that report under section 18.46 he stated as follows:

> In principle, all businesses with inventories held for resale could come forward and claim a rebate. The Department is anticipating a significant volume of claims which will be filed within a relatively short period of time. The Department will have to assemble the machinery to verify and process these claims.

He goes on to state:

> This major task of converting tax-paid inventories to pre-tax levels will pose threats of revenue leakage. The Department will have to provide proper controls over the conversion process to ensure a fair assessment of the rebates and minimize revenue loss.

When questioned this year as to whether he had been satisfied that those had been looked after, he stated that it appeared to him that Revenue Canada was in a state of crisis management in trying to implement the GST. He said further that they were in a difficult sense of uncertainty when they do not even know what the rules are.

It appears that this was a major problem in his mind, that there were in fact going to be many difficulties in the implementation of the goods and services tax. However, the potential for fraud points out only one of the problems inherent in this tax system under the goods and services tax. It appears that the department is ill prepared to collect or enforce the legislation.

I would like to point out just a few of the problems that I am aware of. The list is endless when you look at the problems involved. Keeping in mind that the Auditor General has warned that Revenue Canada is in a state of crisis management, we look at what is happening at the present time. They are bringing in regulations on a daily basis. The original budget speech talked about 150 separate regulations. About 30 have been brought in so far. There is a problem here for the legislators in the Standing Committee on Scrutiny of Regulations, the joint committee between this House and the Senate, and there is a problem for accountants and the tax people themselves.

Revenue Canada employees do not even know what the rules are, as the Auditor General has pointed out. Further the Canadian Federation of Independent Business and others pointed to the problem of a massive backlog of registrations. We do not know how many have registered yet, but we do know that the backlog could be as long as three months.

A further problem has been pointed out in advertisements by the Consumer Information Office of the Department of Consumer and Corporate Affairs. This again was pointed out to the Minister of State for Tourism and the Minister of Consumer and Corporate Affairs by Mr. Bulloch who said that through these advertisements they were hurting small business.

In a reply to Mr. Bulloch, the Minister of State for Small Business and Tourism said: "I share your genuine concern that the advertisements in question do a disservice to small business and the tourism industry by unfairly singling out certain sectors with respect to the impact of the GST". This shows a problem within the system itself.

• (1910)

In my riding, it is the mayors of the communities who pointed out that they want this tax stopped. They have done that through personal calls to me over the weekend and they have done it through their councils passing referendums. In the elections just held, the city of Vancouver had a referendum where it showed 85 per cent of the people voted against the goods and services tax. The city of Kitimat showed 88 per cent of the people were against the goods and services tax.

I would like to end by stating that a constituent of mine, Malcolm McPherson, owner of the Richter Pass Motel, pointed out on the weekend that there had to be some way of stopping this goods and services tax. He asked me: "Does this government know what this tax is going to do to the tourist industry?" These comments point out a small part of the fraud aspect, but it is much broader. This tax must be stopped.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am replying tonight in the absence of the Minister of Revenue who is still recovering from the soapsuds in his mouth.

[*Translation*]

I simply want to say that Revenue Canada is aware that in GST, as in any tax, there is the potential for fraud.

A number of steps have been taken to ensure the detection and prevention of fraud. Audit staff are being trained in the detection and prevention of fraud. Also, Revenue Canada is developing and implementing audit programs designed to uncover fraudulent practices.

Revenue Canada's automated claim processing system has built-in edit checks which reflect the knowledge gained from its own experience as well as that of other countries. Rebate claims which fail the tests will be subjected to audit at the local office level.

Some aspects of the rebate program itself have been designed to encourage factual and accurate claims. For example, inventories, for F.S.T. rebates, will be valued on the same basis as that used for income tax purposes. As inflated inventory values are a disadvantage from an income tax perspective, there is a built-in inducement to realistic and accurate valuation of inventories.

Officials from Revenue Canada have reached an agreement with representatives of the professional accounting community respecting their attestation to the inventory values being claimed. F.S.T. rebate claims accompanied by a report of a licensed accountant will be expedited in our process. Those claimants who opt for this independent third party review will receive their refunds quicker and the integrety of the rebate system will be enhanced by these certifications.

Mr. Speaker, Revenue Canada will have the programs to ensure the detection and prevention of fraud.

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.15 p.m.

HOUSE OF COMMONS

Tuesday, November 20, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government response to nine petitions.

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

* * *

• (1110)

[*Translation*]

REVIEW OF THE PARLIAMENT OF CANADA ACT

PRESENTATION OF FIFTH REPORT OF SPECIAL COMMITTEE

Hon. Marcel Danis (Minister of State (Youth), Minister of State (Fitness and Amateur Sport) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the fifth report of the Special Committee on the Review of the Parliament of Canada Act concerning Bill C-79, and the bill is presented with amendments.

[*English*]

I would also like to thank the researchers and the lawyers who have done an excellent job for the committee and, in particular, the clerks of the committee, Mr. Birch and especially Mr. Kirby who has been with us now for many months and doing excellent work.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to take this opportunity to extend our appreciation to the chair of that committee. It was a difficult committee. There were some challenging moments. However, because of the excellent leadership provided by the chair, we are able now to file this report and hopefully deal with it expeditiously.

I simply want to say that I appreciate the efforts the chairman made during those difficult moments.

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

Mr. Dingwall: Mr. Speaker, if you requested unanimous consent to jump from motions to the presenting of petitions, I think members on both sides of the House would concur with moving to petitions at this time and then reverting to motions?

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. DeBlois): I will now call Petitions. The hon. member for Kamloops.

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have two petitions to present today. One is on behalf of a number of people from the province of British Columbia who point out that with the goods and services tax it will mean that Canada is one of the very few countries of the world that will levy taxes on literature, reading material, religious tracts, children's story books, and the like. In a world where we are attempting to use every means at our disposal to reduce the high levels of illiteracy, it seems to me and certainly to the petitioners that this is a very regressive step.

I wish to present a petition on another matter, although it is related, on behalf of a number of petitioners from Kamloops, British Columbia, They indicate their opposition to the goods and services tax and that a recent referendum in the city of Vancouver pointed out that 80

per cent of the people opposed the goods and services tax and that only 15 per cent supported it, about the same relationship I suppose in terms of the support for the government generally.

The petitioners say that surely, if 85 per cent of the people oppose the goods and services tax, the government ought to listen and back off from proceeding with the tax and consider real tax reform as an alternative.

ABORIGINAL RIGHTS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, pursuant to Standing Order 36, I present a petition on behalf of the people of Snowdrift in the Northwest Territories with regard to the native people of Canada, specifically the Mohawk Nation.

They indicate that they expect the Government of Canada will immediately act upon its authority and responsibility and deal in a just manner with the struggle of all aboriginal people in Canada to have their land claims and rights properly addressed. Inaction on the part of the federal authorities will only continue to antagonize race relations in Canada and to provoke dangerous and ignorant acts of racism.

I present this on behalf of the people of Snowdrift who feel very strongly, as do other native Canadians.

GOODS AND SERVICES TAX

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have three petitions that I would like to place on the table, pursuant to Standing Order 36. They are signed by residents from the great province of British Columbia who are opposed to the goods and services tax.

Whereas there has been the imposition of some 31 taxes since the Conservatives have come to power, these petitioners are opposed to this new general goods and services tax because it will cause serious and unfair hardship to low and middle income Canadians and will provide an onerous burden on small business.

Each of the petitions requests the Government of Canada, both in the House of Commons as well as the Senate, to withdraw the goods and services tax as soon as humanly possible.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a large number of petitions to table today and they are about the fact that the government wants to tax books.

Mr. Speaker, we know that taxing reading or books is tantamount to promoting ignorance and that the government's proposed tax on books, newspapers and magazines is regressive in the extreme.

Your petitioners—hundreds of them—maintain that the free distribution of printed matter is a cornerstone of our democracy, our culture and our education. They claim that an educated and productive society will be adversely affected by a provision that would put a tax on books, something unheard of in Canada so far. Mr. Speaker, these people strenuously object to the GST being applied to books or to anything else.

[*English*]

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, it is my pleasure to present, on behalf of a number of persons from Port Coquitlam, Coquitlam, Vancouver, Burnaby, and New Westminster in the province of British Columbia, and a number of other towns and cities in the lower mainland of British Columbia, a petition calling upon the government to withdraw the goods and services tax.

The petitioners point out, in particular, that the imposition of this tax will create an onerous burden on small business. They also point out the unfair hardship it will mean to low and middle-income Canadians.

Mr. Speaker, it makes one wonder, with all of the petitions from all parts of this country, why the government and members supporting the government are not giving more attention to the concerns of that 85 per cent or 90 per cent of Canadians out there who want this tax dumped and want some real honest to goodness tax reform brought in. When are you going to do it?

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present a petition with regard to the goods and services tax.

Even the modest amendments which are being put forth by the Senate, such as not putting the GST on books and certainly not on funerals, the government is again refusing to even consider these things. I think the

petitioners are getting more and more incensed because of the insensitivity of the government.

I would humbly ask the government, through you Mr. Speaker, that it consider rescinding this abhorrent goods and services tax.

Mr. John Nunziata (York South—Weston): Mr. Speaker, like my colleagues, I would appreciate the opportunity to present to you and to other members of the House a petition with respect to the goods and services tax.

The petitioners in a series of recitals indicate the reasons why they believe this particular tax ought to be withdrawn immediately. They point out, first, that since 1984 the Conservative government has imposed 31 new taxes or tax increases on Canadians and, since 1984, the present federal manufacturers' sales tax has been increased by the federal government from 9 per cent to 13 per cent.

The petitioners go on to say that this new tax, which will be hidden from Canadians, will be applied to virtually everything they buy, with very few exceptions. They also point out in their recitals that the imposition of the GST will cause serious and unfair hardship to low and middle-income Canadians and will create an onerous burden on Canadians.

They conclude by asking this government and, in particular, the Minister of Finance to come to his senses, to understand and realize the very serious harm that this tax will do to Canadians and withdraw it immediately.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise under Standing Order 36 to present a number of petitions that were gathered at both the Caledonia and Simcoe fairs regarding the goods and services tax.

These constituents of mine from Hagersville, Caledonia, Delhi and Fisherville, all call upon this government to reject the tax.

• (1120)

The petitioners say that the imposition of this tax will create an onerous burden on small businesses and are concerned about its effect on small businesses. They call upon this government to reject the proposed goods and services tax.

[*Translation*]

The Acting Speaker (Mr. DeBlois): We will therefore revert to Motions. The hon. member for Comox—Alberni.

* * *

[*English*]

ABORIGINAL AFFAIRS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I move:

> That the third report of the Standing Committee on Aboriginal Affairs, presented to the House on Tuesday, June 19, 1990, be concurred in.

He said: Mr. Speaker, I appreciate your interest in putting this motion to a vote, because I think it should be voted on by this House. It is an extremely important motion, and I think that once I explain the reasons for presenting it today, the House will want to submit it to a vote prior to the recessing of the session at the lunch hour.

As members will know, the Standing Committee on Aboriginal Affairs submitted its report in June of this year on the exiles of Grise Fiord in the Northwest Territories, after hearing direct evidence from the Inuit people involved in that incident.

The evidence dealt with the suffering that 15 Inuit families experienced when they were uprooted from their home in northern Quebec and moved to the high Arctic outposts of Grise Fiord and Resolute between 1953 and 1957.

The committee heard evidence from these Inuit families and people who had spent time at Grise Fiord over a period of months. We heard direct evidence from the people involved. We also heard evidence from the Canadian authorities and from others who were involved in the experiment.

The committee heard evidence from the people who were misled by Canadian authorities as to the reasons for their move up to Grise Fiord in the Northwest Territories. We heard evidence that they had suffered grievously from disease, hunger, medical neglect and social problems as a result of that move.

We heard that even though they had been promised the opportunity to return to northern Quebec if they were not satisfied with the experiment, they were not

moved back to their homes within a space of two or three years. Most actually were not moved back to their community in northern Quebec until the 1980s, some 30 years after they were moved up to the high Arctic in the first place.

While the government would lead us to believe that the relocation of these Inuit families was voluntary, in fact witnesses told the committee that the move was led by the RCMP. They said that in those days when the RCMP came to your door and made a suggestion to you, because of the intimidation of the RCMP and because of the tendency of the people to believe and to follow orders from the RCMP, you did what you were told, Mr. Speaker.

Even though it is suggested by the government that this move was a voluntary move, in fact the Inuit families who were ultimately moved from northern Quebec up into the high Arctic at Resolute and Grise Fiord felt that they had no other option, that they were being ordered to move. Therefore they did move.

They also felt that they had been misled because the federal government bureaucrats had told them that there was more wildlife and other materials up there that would make their life better and make them less dependent on welfare. In fact, this was not the case.

Witnesses also told the committee that their treatment by Canadian authorities and by the RCMP included sexual assault, exchanging the right of work or food for sexual favours and the outright use of slave labour by Canadian authorities in the northern communities of Grise Fiord and Resolute. At this point we are told that there is an internal RCMP investigation, though not a public inquiry, into the criminal aspects of the charges laid against Canadian authorities at Grise Fiord and Resolute Bay, but that according to the documents submitted yesterday that came from the bureaucracy, but were submitted by the minister in this House, the RCMP are having difficulty arranging interviews with the key complainants.

I am sure that since the key complainants are making accusations of sexual assault against RCMP members, it is going to be difficult to reach the complainants.

As the House will know, the committee after hearing Inuit witnesses and in the absence of any credible evidence to the contrary made the following recommendations.

It recommended that the government acknowledge the role played by the Inuit relocated to the high Arctic in protection of Canadian sovereignty in the north. It asked the government to apologize for the wrongdoing which the government inflicted on the people of Grise Fiord and Resolute Bay at that time, a result of these concerns about northern sovereignty. The committee also asked that an apology be carried out with due solemnity and it asked that the apology be accompanied with some form of recognition of the contribution to Canadian sovereignty made by the Inuit people of Grise Fiord and Resolute Bay. The government was asked to consider compensation for the people of Grise Fiord and Resolute Bay for their service to Canada and for the wrongdoings inflicted upon them.

Those were the recommendations made by the Standing Committee on Aboriginal Affairs and unanimously agreed to by all parties in that committee, the Conservative members, the Liberal members and the New Democratic members. It was unanimously recommended to the House of Commons, based on the direct evidence from the people who were involved in the incident and who had suffered from the incident and who have direct knowledge of the incident.

In addition the committee called on the government within the customary time period of 150 days to respond to the committee's report. As you know, Mr. Speaker, the government's response was tabled yesterday by the minister, and it denied all of the evidence submitted by the Inuit witnesses who appeared before the committee or who were involved in the Grise Fiord–Resolute Bay relocations.

It denied that the motives for the relocation was to defend the sovereignty of the Canadian north. It refused an apology and the government based its report on what it called an independent outside consultant, mutually acceptable to the Makivik Corporation and to the department.

Mr. Speaker, I suggest to you that the so–called independent report done by the government in consultation with the Makivik Corporation is completely false in its conclusions. It is selective in its use of the evidence, and its intent was to whitewash the bureaucrats living

and dead, retired and still working, who were involved in that incident where a small group of 15 Inuit families were uprooted from their homes in northern Quebec, transferred up to the hostile climate of the high Arctic, and left basically to their own devices.

The issue is that this House now has an opportunity either to accept the report and the recommendations made by a select standing committee of the House, an all-party committee of the House, which came to different conclusions than the bureaucrats, or they can vote non-confidence in their committee and accept the word of the bureaucrats and the internal examination that the bureaucrats had done of themselves by what they call an outside report.

I think this is a very important question for members to deal with. This House, if it makes a decision to vote concurrence with the recommendations of the committee, then supports the select standing committee and the direct evidence that the committee heard. If it decides either not to vote and to talk out this motion or to vote against this motion then what it is doing is expressing non-confidence in the Standing Committee on Aboriginal Affairs, non-confidence in the witnesses that it heard, and non-confidence in the committee process. That is a very dangerous precedent to be established in the House.

• (1130)

As I said, the committee heard direct evidence from people who were directly involved, as opposed to the report tabled by the minister in the House yesterday which was an internal examination by a consultant selected by the Department of Indian Affairs to examine its own actions. As a result, the House has a very difficult decision to make. It must either vote non-confidence against the Standing Committee on Aboriginal Affairs, with whatever ramifications that might have, or vote non-confidence against a report which whitewashes the bureaucracy, both current and past, with whatever ramifications that that has.

The report that was submitted yesterday, as I said, is extremely selective. It was designed to whitewash the bureaucracy and to absolve it of all wrongdoing. The report, in many cases, directly lies to the members of this House of Parliament and those lies must be corrected because they are complete falsehoods. The House should express its opinion about this report by voting in favour of the concurrence motion. To do so is going to have some serious consequences to the future credibility of standing committees of the House and certainly to the credibility of members who serve on those standing committees.

First, it should be noted that this report says it is a report that was jointly done or that it was done by an independent consultant who was acceptable to the Department of Indian Affairs and to the Makivik Corporation. That statement, Mr. Speaker, is a lie.

What happened was that the Department of Indian Affairs approached the Makivik Corporation which represents the Inuit people in this case. It said: "We have three consultants whom we are going to present to you. You are allowed to select one of them." But they were the three consultants selected by the Department of Indian Affairs. The Makivik Corporation and the Inuit Tapirisat of Canada said: "We cannot accept the first two because they have done negative reports against natives in the past, so we will accept the only one you are offering to us that we do not know." That is the one that was accepted and the one that did this report.

I am sure that if the Makivik Corporation or the Inuit Tapirisat of Canada looked at this report today, they would not have accepted any of them, but they had no choice. They were offered three choices by the Department of Indian Affairs.

So, this is not a joint study as the minister and as the bureaucrats in his department would like us to believe. This is a study that was imposed upon the Makivik Corporation and a consultant was imposed upon the Makivik Corporation by the Department of Indian Affairs. Makivik had absolutely no choice in which consultant did the report. They were all three Department of Indian Affairs consultants.

From the very first paragraph of this report, it is misleading. It is an attempt to deceive the House into believing that this is a joint study, which it is not.

The then study goes on to say that the sovereignty of the north was not an issue in Canada's decision to move those 15 Inuit families from northern Quebec up onto Ellesmere Island, up to Grise Fiord and Resolute Bay. In fact, the minutes of meetings held to discuss this issue are very clear on the subject that Canada's sovereignty was a very important concern of the Canadian government.

I want to quote the minutes of a meeting held at 10 a.m., August 10, 1953, in Room 304 of the Langevin Block, to discuss the transfer of certain Eskimo families from northern Quebec to Cornwallis and Ellesmere Island. The date it was received in the northern administration was August 12, 1953. I would like to have the opportunity to table this document in the House because it directly refutes the lies that were included in the report made by the consultant to the Department of Indian Affairs that was tabled in this House yesterday.

Mr. Sivertz, who later became the director of the northern operations, pointed out that the Canadian government was anxious to have Canadians occupying as much of the north as possible and it appeared that in many cases the Eskimos were the only people capable of doing this. It was a primary concern of the Department of Indian and Northern Affairs at that time to transfer Eskimos, to uproot them from their homes, and to transplant them into the far north in order to establish Canadian occupancy in the far north and in order to establish Canadian sovereignty in that region.

For any bureaucrat or any bureaucrat's report to say that that is not true is utterly false. It is corroborated by its own minutes and by evidence available from the Department of Indian Affairs and Northern Development which its bureaucrats know about and which its so-called independent consultants know about. This report that was given to us by the minister is an attempt to mislead the minister and an attempt to mislead the House. It is also an attempt to mislead Canadians about the wrong-doing done against those Inuit families between 1953 and 1957.

I call on the House to support this motion, to vote in favour of it and to tell the bureaucrats and the Department of Indian Affairs and Northern Development in no uncertain terms that we do not like to be misled and lied to.

The Department of Indian Affairs and Northern Development in its report also says that it was sending the Inuit families up to the High Arctic for their own good. It said that game resources were running in short supply in northern Quebec where these families lived prior to their transplantation. Game was running short and, as a result, it was said that game was in abundance in the northern area of the country. Therefore, it was worth-while to move these families to the northern area of the country in order that they would have more game and not be obliged to rely on the welfare system provided by the province of Quebec or the Canadian government.

In fact, that same meeting that I referred to that took place in the Langevin Block on August 10, 1953, even questioned the availability of resources and the ability of those 15 families to survive in the High Arctic, based on the resources that were available.

Mr. O'Neil, a representative of the Royal Canadian Air Force stated that he was afraid that there was not sufficient wildlife in the Resolute area to provide for the proposed Eskimo population, which amounted to 15 families. Mr. Cantley, who was also in attendance at the meeting, replied that he had reason to believe that there was sufficient marine life to support the Eskimo families concerned. No one could say for sure that this was the case and, consequently, the experiment was being staged.

When the Canadian government and the report of the minister and the bureaucrats from the Department of Indian Affairs and Northern Development tells us that it was moving these Inuit families up to the High Arctic for their own good because there was more wildlife and fisheries resources there, even the evidence presented to the minutes dealing with this issue in 1953 indicated that members of the committee were concerned that, in fact, this was false. There was insufficient wildlife resources and insufficient country food resources available for those Inuit when they did arrive in the High Arctic and, as a result, they would be faced with starvation or a lack of country food. They may be even further forced to depend on the RCMP or the military for their food.

As a consequence, many of these families suffered hunger, privation and starvation as a result of the lack of food and the lack of success in hunting food in an area that was completely different from the one they came from.

Anyone who makes a comparison between the documents publicly available, the documents available in the Department of Indian Affairs and Northern Development, and the report done by the department's so-called independent consultant can see that the so-called independent consultant selected information, dismissed other information, and, as a result, presented a report to the House that is false, that is full of lies, and that misleads the House.

I call on the House to take a very careful look at the documents that the Minister of Indian Affairs and Northern Development submitted to us yesterday. I also call on the House to look at the record of the Department of Indian Affairs and Northern Development in these kinds of issues. This is the same department that has forcibly moved native people off the land. In Nova Scotia, for example, it has forcibly combined and concentrated the Micmac Indians into two communities as another experiment. This country and this Department of Indian Affairs has done experiments on native people that would be the envy of Joseph Stalin's collectivization program or the envy of Josef Mengele.

• (1140)

It is time that the House recognizes the wrong-doings it has done to native people in the country, systematic wrong-doings it continues to do and will continue to do if it accepts the report issued by the Minister of Indian Affairs and Northern Development on behalf of his bureaucrats in the House.

The one thing we have to do, and the one choice we have to make here today, is to accept either the minister's report, which is a complete and utter fabrication, a collection of lies of the worst order, or we can accept the report of the select standing committee of the House which was based on direct evidence of the people affected. It is a question of confidence, Mr. Speaker. I hope this issue comes to a vote and I hope that all members on all sides of the House support this motion.

Hon. Shirley Martin (Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am pleased to have an opportunity to report to the House on a matter of great importance to Canada's future.

The relationship between Canada and the aboriginal people has certainly had a difficult history. So difficult, in fact, that some are prepared to believe the worst of any situation concerning how we dealt with each other in years gone by. That, I think, is the attitude which has led many to accept the charges that in the early 1950s, the government of the day callously and cruelly uprooted a number of Inuit families from their communities and deposited them without food or resources in a hostile environment, all in the name of sinister and incomprehensible political interests.

We have heard a very passionate presentation by the member opposite telling us that the reports that have been made to the House are fabrications of lies of the worst order. I would like to take an opportunity now in the House to present another view of the issue and to tell the members of the House the government's position on the relocation of the Inuit residents to Grise Fiord and Resolute Bay in the 1950s. Much of this was based on an independent report, not an in-house report, but one of an independent nature.

First, I would like to remind the House that nearly four decades ago the far north was still pristine with plentiful wildlife and the high Arctic held hope and promise for the Inuit, who at the time were facing great hardships further south, and the plan was to improve their social and economic prospects.

In the period 1953 to 1957, the federal government relocated a number of Inuit families from Inukjuak in the northern Arctic of the Northwest Territories. It was only years later that some of the Inuit wished to return to Inukjuak at government expense.

In June of this year, the Standing Committee on Aboriginal Affairs made five recommendations about that relocation. The Department of Indian Affairs and Northern Development responded to those recommendations yesterday.

To understand the relocation, one must put the events which occurred in 1953 into historical perspective. In the 1950s the Government of Canada tried to assist northern native people in their pursuit of traditional livelihood. For those Inuit who wished it, the government was also willing to help them integrate at their own pace into the economic development that was occurring in the north.

Occasionally, hunting was poor in particular areas of the north and many people experienced hardship. At the time of the move the Inukjuak game had been depleted. The Inuit population was growing. The Inuit living there were facing difficult times.

The government's aim was to relocate the people to areas in which wildlife was more plentiful. The move to the Northwest Territories was based upon the abundance of game in the hopes of providing the Inuit with a better life. There was no hidden agenda in this project. It was undertaken with the best intentions and evidence clearly

shows that the people concerned benefited materially from the move in a very short period of time. The facts clearly show that the relocation of the citizens was not done in the hope of protecting Canadian sovereignty.

Historical documents go back to 1930 when an exchange of notes between Norway and Canada occurred to support Canadian sovereignty. This exchange formally and officially recognized Canada's ownership of the Sverdrup Islands which are more northerly than Grise Fiord and Resolute Bay.

The Soviet Union had no designs on our Arctic and the United States agreed that it would use the Arctic islands only with Canadian consent. The only territorial threat, and I use the word "threat" in quotations, was from a few Greenland Inuit who occasionally, hunted illegally in Canada's territory in the late forties and the early fifties.

By 1952, the RCMP was on site and quite ready to deal with such problems. In fact, it was only in the sixties, when the American ship *Manhattan* went through the Northwest Passage, that the notion that Canadian sovereignty was an issue in the Inuit relocation of the 1950s developed. In response to the *Manhattan*, the Canadian government at the time started talking about things that were done to protect Arctic sovereignty, and history was rewritten. And the relocation of the Inuit was added to the list of things done by the government to support its control of the north.

The sovereignty issue was again raised in the 1980s by the Makivik Corporation, an organization set up under the James Bay and Northern Quebec Agreement of 1975. This represented the interests of all Inuit in northern Quebec, where Inukjuak is located. It is important, therefore, that research into the sovereignty issue, conducted by the Makivik Corporation in 1982, concluded that the move did not occur for reasons of sovereignty.

In 1990, Makivik, in its paper to the standing committee, turned its back on its own research in 1982 and declared its belief that sovereignty was the main motivation for the move.

Mr. Speaker, I would like to acknowledge that, although sovereignty was not the reason for the move, the Inuit families who did move did assist indirectly in the promotion of Canadian sovereignty. By being part of the north, they were able to help the RCMP. They occasionally assisted the Mounties, who had concerns about the poaching of wildlife on Ellesmere Island. The Inuit from Inukjuak were able to help the RCMP administer the territorial game legislation and, indirectly, aided in upholding Canadian sovereignty.

The standing committee suggested that the Department of Indian Affairs and Northern Development was at fault for both the planning and the implementation of this project, which resulted in hardship for the Inuit.

In 1953, the means of transportation in the north left something to be desired. The main form of mass movement, perhaps one of the only means, was by ship. There were evidently problems that occurred because of this. One of the problems of Arctic travel, in fact any travel, is the transportation of goods.

Equipment and supplies which the people would need in their first year were carefully planned, purchased and shipped to selected sites. Unfortunately, some of the equipment was not off-loaded at the appropriate places. Consequently, that first winter in the high Arctic was, for many Inuit, very difficult.

The difficulties that were encountered in 1953, however, in large part were simply because it was 1953. Transportation and communications were relatively primitive. Since that time, there have been tremendous technological changes that have improved conditions in the north. They must also be set against conditions in the bush camps surrounding Port Harrison, from which the Inuit had come. Conditions were very poor and, in contrast to the high Arctic, there was almost no game. Hardships in the south easily matched that in the north and there was no chance for improvement.

I would also like to point out that the oral statements made to the standing committee about extreme hardships and starvation were not substantiated by letters from the people concerned. In the research, for example, an article entitled "Salluviniq's Story" published in 1977 recounts a very different experience. In the article this gentleman, one of the original people moved in 1953, states:

> Since I moved to Resolute I have never wanted to move back—If I wanted to move back to Inoucdjouac (Inukjuak), I think the government might agree to help me.

He also recounts in his story his life in Inukjuak prior to his move and he clearly indicates that there was no coercion involved in his decision to move to Resolute Bay.

• (1150)

There are many other letters in existence written by Inuit at Resolute Bay to relatives and to social workers in the department. They testify to the satisfaction of hunting conditions that were found in the high Arctic. Oral evidence also alludes to some misunderstandings at the time of the move. I can assure the House that there is no question that the best motivations dictated the relocation of the Inukjuak Inuit to the high Arctic. I suggest, however, that many of the misunderstandings may well have occurred because of language difficulties.

Perhaps the major contention of the Inukjuak Inuit was that the federal government had promised them that they could return to their homes at government expense if, after two or three years, they were not happy with their new location. After careful investigation, I am satisfied that some promises were made. As I mentioned, however, many of the letters written by the Inuit did not express a desire to leave and letters written by residents in the late fifties and early sixties in fact spoke of the desire to have family members join them at Resolute Bay.

Residents of the Inukjuak area continued to move north until the late fifties at which time entry to these communities was closed because they became overcrowded.

The earliest request to return on record came in 1960 when a request was made to go back to Inukjuak for a visit. There were virtually no Inuit who expressed a desire to leave the high Arctic for good at that time and there are a number of reasons why people requested to return. Many were not dealt with until 20 to 30 years after the original move. The lack of adequate transportation, which I mentioned, was one of the reasons. Travel arrangements at that time were not easily made. The only means available was by the annual supply ship which arrived and left in late summer.

As well, time lapses between the expression of the desire to leave and the finalization of those arrangements were lengthy. It is not to say that the government was not willing to try, but rather the problems encountered were cumbersome and restrictive. Indeed, in the early 1970s the RCMP used their own aircraft to arrange visits to the Northwest Territories, reimbursed by Canada, and was returning a few Inuit to Inukjuak. Still one fact is clear—at no time did the Canadian government refuse outright any Inuit request for return.

Another problem with moves back to Inukjuak was the lack of housing. If people went back, there was no housing available to them at that time. In 1988, however, DIAND did contribute $700,000 to assist the Government of Quebec in building 10 new homes to accommodate those wishing to return.

It is also likely that requests from the Inuit to return occurred long after the two or three years that the departmental officials had assumed would be the timeframe within which people would want to return home. Nonetheless, returns did continue.

Speaking now for the present, let me make it clear that the government believes it has a moral obligation to fulfil the promise to return those who wish to go back. The department has already spent in excess of some $250,000 on direct relocation costs to date. It stands ready to complete the relocation of those Inuit who wish it.

In light of this information, I feel that the Department of Indian Affairs and Northern Development has nothing to apologize for in the manner in which the relocation project was conceived, planned and carried out.

In fact, I would like to quote from the findings of the independent consultant who was acceptable at the time to the Makivik Corporation on this particular question.

The offer was made of three names. It was not a case of picking one person and saying: "You have to accept it." There was an offer made of three different groups and they accepted one of the three.

I quote from this report:

> The evidence that we examined does not support the allegation that the government committed wrongdoing in the planning and conduct of this project.

> The material we examined leads us to a different conclusion, namely that the project which was conscientiously planned, was carried out in a reasonable effective manner and that the Inuit participated in it voluntarily, in their own search for a better life, and benefited from the experience.
>
> We do not see the grounds for an apology by the government for the manner in which the relocation project was conceived, planned and carried out.
>
> In our view, to apologize for a wrongdoing it did not commit would constitute a deception on the part of the government.

That is not a government quote. It is the report of an independent firm that looked into the facts of the situation.

I sincerely sympathize with any family or family member still wishing to move back to Inukjuak and I hope that they will be able to do so promptly.

We will assist them to do so.

The Department of Indian Affairs and Northern Development will continue to work with natives and northerners in attempting to reach mutually acceptable and desirable changes in programs and policies.

Before closing, I would like to balance these unhappy recollections of the past with the happier reality of the present.

The people of Canada's north, both native and non-native, are making great strides in achieving their aspirations, and the government is helping them to do so.

Foremost among our efforts is our commitment to enter into fair and reasonable land claims settlements. Recent milestones in land claims settlements in the Yukon and Northwest Territories are pointing Canada's north in a new and promising directing.

Over the course of the past year, major agreements have been reached in the north which will enhance economic, social and political development for first citizens and the northerners who came after.

The most notable, for its sheer size, was the agreement in principle of the Tungavik Federation of Nunavut Land Claim in the Eastern Arctic, the area where Resolute Bay and Grise Fiord are located.

The riches of the north will be enjoyed in greater measure than ever before by the 17,500 Inuit whose home territory covers the 350,000 square kilometres of land covered by the TFN land claim.

In addition to a land mass about half the size of Saskatchewan, Inuit will receive some $612 million in financial compensation, a share of resource royalties, guaranteed harvesting rights and participation in decision-making processes which deal with the land and environmental management.

This is a fair and just agreement.

In signing it, the Government of Canada has clearly said that we respect the historic rights of Inuit who have inhabited these territories for countless centuries.

It recognizes and supports their desire to sustain their traditions and shape their own future. It is that future that we and they must now concentrate on.

It is that future which will see the building of a new relationship between native and non-native Canadians, the relationship which the Prime Minister of Canada promised to work toward when he announced the federal government's new native agenda on September 25.

That is where our efforts should now be focused, and I count on the members of this House to let us get on with the building process.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I rise today to speak to the motion that was put forward for concurrence.

I would like to say that the motion that we put forward has much merit. I cannot understand how the government can come back with a counterproposal refuting the essence of what these people have stated to the committee when they appeared before the Standing Committee on Aboriginal Affairs on March 19. At that particular meeting we had a number of representatives from ITC and from the group termed as the High Arctic exiles, people who were actually involved in this relocation.

• (1200)

I believe that fancy reports and fancy documents from politicians and from governments do not speak as well as people from Canada who experience their own problems and who recognize the truth of their own lives better than we do.

One such individual was Mr. Allie Salluviniq, a Resolute Bay representative from the Inuit Tapirisat of Canada. He said: "I am Allie E9-1860. I am identified as such although I am Allie Salluviniq. All these other people also have numbers, E9 numbers. I was very small when we moved from Inukjuak to the High Arctic, but I

do remember vividly when we were landed a large boulder I can relate to and how very cold we were. Some had to be warmed by dogs.

I do want to say that when we were being prepared to be moved out of Inukjuak we were told that we would all be located in one place. Then when we had just about arrived our people were told that they were to be separated. This was devastating. My mother died as a young woman, never having seen her relatives again. I myself am not hurting. It is these people who lived that particular experience that are hurting. We have been woefully hurt by all this. We deserve to be given a further chance to tell our story. We were separated and parted although we were promised that we would stay together. My mother was away in hospital for six years with tuberculosis. I grew up without a mother as a result. These other people will make it more clear", and he goes on.

Then we had further testimony from other people. This one in particular was from John Amagoalik, president of ITC, who said: "You must understand the big change we experienced when we moved from northern Quebec to the High Arctic. There was a big change in diet. In northern Quebec we grew up on fish and game birds and things that grew out of the ground, berries and such. Up there none existed. We had to travel hundreds of miles for any fish. There were no caribou. The only birds were around for only a couple of weeks of the year. We had to change from that diet to walrus, polar bear and seal, and that was about it. It was a big change".

He went on to say: "The environment was very different. It was much, much colder. The winter was much colder and we discovered that there were three months of total darkness. We had never been told that. One of the most devastating experiences we ever had was when we discovered that there was no sun from November until February. The annexes referred many times to the experiment. We were used like laboratory animals, as has been stated by some of the witnesses. Our dignity as human beings has been violated. We need a longer time to tell our story because we are just touching its surface. This story needs to be told. It is a Canadian story. It needs to be explained in Canadian history".

These are the people who spoke for themselves. These are the people who had the experiences that are most unfortunate within the context of our Canadian history.

What is wrong with the motion we presented? What is wrong with what we suggested as a motion, that the Government of Canada acknowledge the role played by the Inuit who were relocated to Grise Fiord and Resolute Bay in the protection of Canadian sovereignty in the north, that the government issue an apology for the wrongdoings carried out against the people of Grise Fiord and Resolute Bay, that the said apology be carried out in an official ceremony of due solemnity and respect, that the said apology be accompanied by some form of official recognition of the contribution of Inuit of Grise Fiord and Resolute Bay to Canadian sovereignty, for example, by the erection of an historic monument or marker and by the issuing of certificates recognizing this important valuable contribution to those relocatees still living or, if deceased, their surviving families?

What is wrong with taking people like Martin Frobisher and naming a community after that individual? What is wrong with taking people like Sir Alexander Mackenzie and naming a river after that person? Why can we not recognize the contribution made by these people under the harshest of circumstances? Why can we not recognize that northern occupancy, as was stated in one of the reports I have was a great preoccupation?

In 1983 the former minister of DIAND, John Munro presented a discussion paper prepared by Environment Canada entitled *Environment Canada and the North* at the Third General Assembly of the Inuit Circumpolar Conference held at Frobisher Bay in July 1983. This federal paper, in discussing the evolution of resource use policy in Canada's north states on page 59 as follows:

> It is worth noting that before World War II priority was given to traditional forms of northern occupancy in large areas of the north. However, the prime reasons for this were not entirely due to concerns for native welfare and northern environmental quality. Issues of Canadian sovereignty were the principal concerns. Both the native people and the environment were used as important elements in formulating strategies to advance Canada's jurisdictional claims in the Arctic. For example, at the turn of the century, Otto Servitude discovered Axle Heiberg and Elvis Ringis Island and claimed them for Norway. In response, Canada reasserted her claim to the islands of the High Arctic. To confirm this claim Canada created a game reserve in the Arctic Islands in 1926 and stated that the hunting grounds of the Arctic should be preserved by the native Eskimos, Inuit. Various additions were made to the preserve up until 1945 at which time over 1.3 million square miles were set aside covering all the Arctic Islands

and a large part of the rest of the Northwest Territories. To further entrench the sovereignty claim, the government relocated Inuit people from northern Quebec to the Arctic Islands in the mid-1950s.

These were the statements made in this paper by a federal minister who had the same kind of resources to examine the issues. These claims are being made also by the aboriginal people who appeared before us in March 1990.

These people would like a public apology. The independent consultant that was provided for the Makivik Corporation was one of three consultants. The other two were not acceptable. I do not feel that the Inuit people had much choice about who the independent consultant was.

During the years 1953, 1955, and 1957 approximately 17 families were moved from Inukjuak and Port Harrison, Quebec and were relocated by the federal government to Resolute Bay and Grise Fiord in the High Arctic. The primary stated purpose by the Government of Canada for this relocation was to reduce the hunting pressure on the resource base Inukjuak. I cannot understand why it is that for political expediency and for their own selfish means the government always uses the aboriginal people, either by relocating them or by capitalizing on the fact that they occupy a certain territory and can be induced to do that or can be used to profile a certain issue.

Let us take, for instance, the Spicer commission. Just recently it said that it would make a meagre foray into the Arctic to go where it all started. I think that is real political opportunism. If we want to make a statement about the issue and the essence of aboriginal people and their first nation status, we should entrench that in the Constitution. We should recognize the contribution these people have made to Canada and support the $10 million the Makivik Corporation has recommended for a heritage fund. That would be the best $10 million investment the government could make for the Inuit. Under the harshest of circumstances and under an extension of the federal government, because the territories is not yet a province, out of 53 language groups the Inuit people have managed to be one of the three languages that have been able to survive. Aside from Cree and Ojibway, the Inuktitut language is still strong and thriving.

• (1210)

Why is this? Is it because the government has poured millions into maintaining the strength of these languages? Not really. It is because the perseverance and the survival skills of these people are the essence of who they are. They have survived under the harshest of circumstances. They have been economically marginalized in an attempt to alleviate the pressure on resources, the hunting and traditional trapping resources in that area. These people have been through the downfall of their sealing industry and they still survive.

What are they saying to Canada? "Canada, listen to us. We have suffered. We want compensation. We want $10 million to help us survive. We want $10 million to profile who we are and what we are about, what our essence, what our language and what our heritage are about".

They are the ones who have allowed their languages to survive. They are the ones who have stayed in the territories in the north, actually in Nunavut, for all practical purposes, in the High Arctic regions. They have made a place for themselves within Canada that no other Canadian would dare to experience. They have been very brave and generous in the kind of hospitality they have extended to people coming into that area.

People ask why they waited that long, why they waited 37 year. Why come back now asking for compensation? When you live in a colonialized mentality, when one lives with cession by law, when you live with imposing governments coming forward and telling you that this is the way it should be, you would have to wait 37 years to engender the leadership you need and to have the growth in community spirit you need to come forward and be able to put forth your case.

Makivit Corporation has put forward a very substantive case. With regard to the pressure that is present to assist Inuit people, the case the Makivik Corporation has put forward is very convincing.

I for one could not understand three or four nights ago when I watched the Assistant Deputy Minister of Indian Affairs and Northern Development debate the relocation issue for the purposes of protecting Arctic sovereignty or Canadian sovereignty in the High Arctic. That Mr. Van Loon, Assistant Deputy Minister, would refute,

deny and virtually call the Inuit people deceptive and liars about their own life and what they are about, I was very insulted. I watched the leader of the Inuit people of Canada being insulted by this bureaucrat who should be advocating, not serving in an adversarial role.

I find this to be extremely alarming. What are these people doing? We supposedly have an independent report. I hope that the results of the motion being debated will be favourable and will be independent of bureaucrats who continue to cripple on all fronts the process of social justice for the aboriginal people across Canada.

There are no better words to explain how the people who appeared that day felt, such as Markoosie Patsauq and Sarah Amagoalik, the mother of the president of the Inuit Tapirisat of Canada. Those people came forward with a most convincing case.

I cannot believe that we recognize outsiders, build monuments to them, and name rivers and islands like Baffin Island after them, yet there is no room in our hearts as Canadians to recognize the people who were here first, who built the country and who maintained and protected Canada's sovereignty. How can we not have the decency and respect in our hearts to do this?

This requires one fundamental thing. It requires the political will of the government. This report should have never existed. This report refuting an apology, refuting recognition of the Inuit's contribution for the protection of Arctic sovereignty, should have never existed. There should have been a unanimous motion which was consented to in the Standing Committee on Aboriginal Affairs. That should have been upheld. The government should be proud to say to the Inuit people, "We are proud of your contribution. We are happy that you were there to protect our Arctic sovereignty when no one else dared to go". The Inuit people were essentially forced to take on that role and did so under the harshest of circumstances.

We must find in our hearts the respect and dignity that these people deserve and we should give due recognition. I totally support the idea of a $10 million heritage fund because I believe that the Inuit have much about them that is worth preserving and carrying on with in terms of the over-all Canadian context of who we are and what our country is all about.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, much has been made in this House of the question of whether or not the issue of Canadian sovereignty was paramount in moving the Inuit to the high Arctic. It is ironic that the minister of Indian affairs would stand in this House and submit a report that is obvious fabrication and lies and then the Minister of State—

Some hon. members: Order.

Mr. Skelly (North Island—Powell River): I am sorry, Mr. Speaker. I am quoting from a previous speaker in the House. Those comments were I think justified and quite correct. I was not alluding to the minister but certainly to the consultant.

It is interesting that a previous minister of Indian affairs of this government, the Minister of National Defence said in a letter dated February 5, 1988:

> My colleague, the Honourable Tom McMillan, has already written to the president of the Inuit Tapirisat of Canada (ITC) on October 16, 1987 suggesting two options for recognition of the Inuit contribution to Arctic sovereignty. Either Resolute Bay or Grise Fiord could be designated a national historic site and/or the Inuit relocation to the High Arctic could be recognized as an event of national historic significance by an article in "Recognizing Canadian History". By copy of this letter I am adding my support to ITC's resolution and suggest—(the) follow up on Mr. McMillan's suggestions.

There is no question in the mind of the Minister of National Defence, the previous minister of Indian affairs, that this government was at one point prepared to recognize that. Then, all of a sudden, there is a complete reversal, a denial of all the facts. We now have the minister of Indian affairs and the Minister of State creating a tremendously embarrassing situation in this House, calling confidence in the committee, and their own members on the committee, who voted unanimously to submit this recommendation to the House of Commons asking the House to vote on its concurrence.

I would ask the previous speaker this. Does the member not agree that this House is now morally bound to let a vote occur on this motion; that the honour of the committee, the honour of the committee members is at stake; that upon hearing direct testimony and investigating this matter, the integrity of the committee system and of the committee is at stake? I would ask the opinion of the previous speaker on this. Should we not allow, as a

moral point, this vote to now come to fruition in this House and not simply permit the government to talk it out?

Mrs. Blondin: Mr. Speaker, I absolutely agree that it would be morally indefensible not to have a vote. It would be morally indefensible to put forward this kind of a report that totally refutes everything that those people testified to. It shows that it is totally insensitive that the government would not consider the concerns of those individuals, who I believe came forward with a very compelling and very sensitive case. I believe that we should not talk out the motion but that we should put it to a vote. I feel strongly about that.

• (1220)

Mr. Stan Wilbee (Delta): Mr. Speaker, I would just like to clarify one fact that the member from Vancouver Island mentioned. He said that this was a unanimous decision in the committee. I should point out that two government members voted against this motion in committee, so it was not a unanimous decision of the committee.

The other thing I would like to mention is in regard to the speech of the hon. member for Western Arctic. The hon. member made quite an issue of the fact that the Inuit were issued with numbers and this was a depersonalization, degradation, dehumanization, whatever you want to call it.

However, if we look at our system, anyone who served in the armed forces during the war or in peacetime was given a number. When we went to university we were all assigned numbers. That does not mean that our names were not valid, that people recognized us just as an object. It was for particular reasons we were given numbers. As a registered physician, I have a number given to me by the College of Physicians and Surgeons which is used for particular purposes. I do not feel that by being issued a number that I am in any way depersonalized and a lesser person for that.

I would just like to hear the hon. member's comments on that. I understand that it could be taken as an insult, but this happens all the time in our society and I feel it was perhaps misconstrued by some people.

Ms. Blondin: Mr. Speaker, I beg your indulgence. I was busy conferring with one of my colleagues from the party opposite and did not get the last part of my hon. colleague's question. So if you would not mind repeating that last part, I would be very happy to answer it.

Mr. Wilbee: Mr. Speaker, I had just pointed out that many times in our society we are given numbers for identification purposes, or for other reasons, and it does not mean that we are depersonalized or dehumanized. It is not a sign of contempt in any way. I used the examples that every soldier has a regimental number and university students have student numbers. As a physician, I have a number submitted by the College of Physicians and Surgeons.

These numbers are valuable assets that can be used in certain circumstances to identify me as different from other people. It could be taken as an insult perhaps, but our society demands these types of things. I feel that this has been overrated and that many people have felt unnecessarily that they were being looked down on or looked at with contempt because they were assigned numbers. I would just like to hear the hon. member's comment on that.

Ms. Blondin: I would be very happy. I have a close colleague by the name of Mr. Abe Ookpik from Frobisher Bay or Iqaluit who worked for years on this whole issue.

I must say that by getting a number at university you do not forfeit your name. By getting a social insurance number, you do not forfeit your name. By going into the military, you are given a number, but people still refer to you by name, Private such-and-such, Private Smith or Private Jones.

Mr. Dingwall: Dingwall.

Ms. Blondin: Or Dingwall. Or Wilbee, Private Wilbee. But when you have been given a number under the numbered process with regard to the Inuit people, it was very degrading. The reason for that is because the people who came to their land did not have enough respect to find a way to learn their names. The Inuit people have very beautiful names. I can think of a number of names. I lived in an Inuit community. I am of Indian extraction and I learned these names. Mangalaluk, Nasagaluak. Those are names that anyone could learn. So, I am saying that yes, there is a stigma attached to it and, yes,

those people were treated under certain conditions as less than human.

Mr. Robert D. Nault (Kenora—Rainy River): Thank you, Mr. Speaker, for the opportunity to ask my colleague a question. I will try to make it as short as I can in order for the hon. member to have a little time to answer it. This particular question relates to the fact that the government does not seem to be too interested in acknowledging the fact that the people were moved, specifically, for sovereignty reasons.

One of the reasons I would like to ask the member this question is because I come from a region very similar to the northern Quebec region from where these 15 families were moved. Lo and behold, these particular 15 families were moved to a region that is absolutely different from the region they came from.

They could have moved these 15 families, for example, to northern Ontario, where I come from, which has the same type of terrain, the same type of vegetation, the same types of animals, and the same types of berries to collect, and this would not have been devastating to their way of life. Could the hon. member try to explain why they chose the far Arctic versus northern Ontario, which would have given them the same kind of lifestyle?

Ms. Blondin: Mr. Speaker, I thank my hon. colleague for bringing up that very good point. There is no way to explain why these people were not taken to a more favourable climate. There is only one explanation and that is one thing that the government will not recognize. These people were sent to the high Arctic for the express purpose of protecting Canadian high Arctic sovereignty, and that is it.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I welcome this opportunity to rise today to try to reveal the facts about the relocation of the Inuit families from Inukjuak to Grise Fiord and Resolute in 1953.

I would like to share the findings of the Hickling report with the Canadian people and see if, somehow, we can find the truth that exists somewhere between the memory and the cold written records of the past. It was in looking for this truth that the Department of Indian Affairs and Northern Development commissioned an independent study by an outside consultant. The consultant was asked to assess the factual basis of all of those allegations that were made in the third report to Parliament by the Standing Committee on Aboriginal Affairs. It was felt that it was imperative that a detailed and impartial assessment of all of the facts be undertaken so that the department could prepare an objective and unbiased response, a full response, to these allegations and which had been requested by the standing committee.

Therefore the independent commission began its study. First it consulted with the Makivik Corporation, the organization that was set up under the James Bay and Northern Quebec Agreement in 1975 to represent the interests of all of the Inuit of northern Quebec. That, of course, is where Inukjuak is located. With Makivik's agreement, the Hickling Corporation was contracted to conduct the study.

The Hickling project manager felt that, first of all, he must meet with departmental officials to review the history of the claim. This included various previous approaches that had been made by the Inuit Taparasit of Canada and by the Makivik Corporation, requesting settlement of the claim and the responses by the department on those occasions.

The events leading up to the appearance of the Inuit before the Standing Committee on Aboriginal Affairs, on March 19, 1990, the published proceedings of the committee meeting of that date, and the ensuing interim response by the Department of Indian Affairs and Northern Development, were also examined in this investigation.

In addition, the Hickling team sought the assistance of the Government of the Northwest Territories in searching the files for all the possible references to the relocation project. These files had been sent to the Government of the Northwest Territories in the transfer of federal responsibilities from the federal government to the Government of the Northwest Territories in the years from 1966 to 1970.

From all of these sources and after careful and detailed study, a report was developed. I would now like to share relevant sections of that report, from the executive summary of the report, with this House. I should remind hon. members that complete copies of the report are available from the Department of Indian Affairs and Northern Development should any member wish to obtain one. The Hickling report states, and I quote:

Our assessment of the factual basis of the allegations included in our study is based on an extensive survey of official government files, documents, and published and unpublished reports, and learned papers in the possession of the National Archives of Canada, the Department of Indian Affairs and Northern Development, various libraries in other government departments, public libraries and sources within the Makivik Corporation.

We found that the decision by the government to actively encourage the relocation of Inuit families to the high Arctic in 1953, and in the two or three years subsequent to that, was not motivated by a concern to strengthen Canadian sovereignty over the Arctic islands at that time.

Canada felt secure in her claim of ownership of the islands at that time, as a result of an exchange of notes between Canada and Norway in 1930, because the Canadian government had consistently displayed its sovereignty in that area for so long and in so many ways as to firmly establish its title to all of the Arctic islands in a manner consistent with international law.

The RCMP participated in the exercise of Canadian sovereignty in the north by their very presence in those areas, and in the various roles they were called upon to carry out their own and on behalf of other federal departments.

They were required from time to time to deal with the illegal hunting of polar bear and musk-oxen by Greenlanders, which was prohibited under the Northwest Territories game ordinance. In carrying out this function, they did indeed assist in asserting Canadian sovereignty.

• (1230)

The study continues:

The Inuit families in question were not relocated to the high Arctic to assist the RCMP in the administration of the Northwest Territories game ordinance, although, in fact, they did so on occasion.

They asserted Canadian Arctic sovereignty by the very fact of living there—

Mr. Skelly (North Island—Powell River): I rise on a point of order, Mr. Speaker. I understand that the rules of the House do prohibit reading a speech directly into the record, a speech that has been written by the Department of Indian Affairs and previously written into the record by the Minister of State for Indian Affairs.

If it is the intent of the government to simply regurgitate this crap or pap, why do we not just unanimously seek consent to call it one o'clock and get out of here, if that is the attitude of the government toward this very serious matter?

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but I believe there is a certain amount of latitude in this House, and that, since previous speakers on both sides of the House have quoted documents or reports, I should show the same indulgence to both sides of the House.

[*English*]

Mr. Skelly (North Island—Powell River): Mr. Speaker, would you be prepared to give the House some direction as to whether or not an individual is able to read the same speech into the House twice?

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member may wish to consider the fact that every member may use notes or other written material, so that, strictly speaking, this is not a point of order. On the same subject, the parliamentary secretary.

[*English*]

Mrs. Dobbie: Mr. Speaker, it is very important that the members opposite hear the details of the executive summary of the report because, in listening to the speeches and interventions made earlier this morning, it is clear to me that many of the members are not familiar with the report by this independent group. I think it would be very useful to them to understand the details and the finding of the Hickling team.

The study goes on to state:

They asserted Canadian Arctic sovereignty by the very fact of living there, but that was not the purpose of their relocation.

—(The Hickling) report reveals that the main reason for the decision by the government to encourage some Inuit families to relocate to the high Arctic at that time was the concern to improve the living conditions of Inuit, particularly in the Hudson Bay region.

Relocation from those depressed areas was seen, by both government officials and the Inuit themselves, as a way of breaking out of a growing pattern of welfare dependency, and as a means of providing the Inuit with new and better economic opportunities through improving hunting, trapping and wage employment.

The report states:

Reasonable steps were taken by the government officials to establish and apply suitable criteria for the selection of families, so as to ensure that the best success of the project and the security of the participants. These criteria were developed over a period of several years, with input from a number of sources.

Those who were transported to the new location by the C.D. Howe Institute were x-rayed before their departure and appear to have been found free of serious infectious diseases. Some of the participants who were included were quite aged, and at least one was physically disabled, but their participation in the relocation project was not out of line with Inuit culture values nor with the realities of life in the Arctic in those years.

The difficulties of life in the high Arctic were recognized and explored beforehand by the officials, and a reasonable plan was articulated to ensure that those who were relocated were well supported by experienced RCMP officers who knew the family personally and who were knowledgeable in Inuit ways and language.

Experienced Inuit families from the most northern settlements at this time were approached to assist with the project. They agreed to do so and transfer their hunting and trapping skills to the Inuit participants from Quebec.

The first group of Inuit relocated were not as well equipped as they might have been, but apparently this was dealt with after their arrival.

Reasonable efforts seem to have been made to explain the project to both of the Inuit groups involved before their departure, and to communicate the fact that participation in it was voluntary.

It is more than likely that some of the Inuit could not completely envisage what conditions in the high Arctic would be like because these were things that were outside the range of personal experience at the time. While this is truly regrettable, it should not imply a deliberate attempt by government officials to deceive or to mislead the Inuit participants.

A number of the Inuit families in the project stated in letters written to the Department of Indian Affairs and Northern Development in the period of 1956 to 1963 that game and fur were plentiful in the vicinity of both Resolute and Grise Fiord, and that hunger was not a problem. The frequency of letter-writing from Inuit at Resolute Bay dropped off considerably after 1963, and nearly completely after 1966 with the transfer of responsibility for most aspects of Inuit affairs to the Government of the Northwest Territories. It is not possible, therefore, to say whether game and fur continued to be plentiful after the letters stopped coming, but on the other hand there is no reason to believe otherwise.

The report goes on to state:

We believe the Department of Indian Affairs and Northern Development gave the Inuit an understanding that they would be returned to their original communities after one, two, or three years, if this was requested. There is no evidence to suggest that the department intended this undertaking to remain in force indefinitely.

The files show that some of the Inuit families living in Resolute Bay wrote to Ottawa, asking to return to Port Harrison (Inukjuak) for a visit. The earliest example of such request that we—

—the Hickling team—

—could find, occurred around 1960.

The determination of the length of the proposed visits quite often required several exchanges of letters. On one occasion, in 1961, Ottawa responded to such proposals by seeming to suggest that those wishing to visit Port Harrison (Inukjuak) should collaborate in charting an aircraft for this purpose, at their own expense. The files would indicate that one group did this in 1962, but no further details are provided.

It is uncertain if there was an official policy on the matter at the time. Our speculation is that the Department of Indian Affairs and Northern Development took this position because it considered the individuals involved to be economically self-sufficient. This was the practice followed with respect to Fort Chimo Inuit working at Churchill and wishing to visit their home community.

Early in the 1970s, however, the Government of the Northwest Territories arranged and paid for the transportation of several groups of Inuit from Grise Fiord and Resolute Bay to Port Harrison to visit relatives and to assess whether they wish to be returned to that community on a permanent basis.

Several families subsequently requested relocation and this was done. The Department of Indian Affairs and Northern Development reimbursed the territorial government for the costs of both the visits and the relocation.

On one occasion the RCMP used their own aircraft to permit several families living at Grise Fiord to visit relatives in Fort Harrison (Inukjuak), and subsequently relocated them. The RCMP apparently absorbed these costs.

An additional number of Inuit families living at Resolute Bay were relocated to Port Harrison (Inukjuak) in 1988, initially at their own expense or with assistance from the Makivik Corporation of Quebec. The Department of Indian Affairs and Northern Development agreed to reimburse the transportation costs for those families who had already moved back to Inukjuak. This offer was subsequently extended to include the cost of transporting a number of other families who had not yet moved but who had indicated that they intended to do so.

These reimbursements, totalling approximately $250,000, were paid out of the Department of Indian Affairs and Northern Development's 1988-89 appropriations. In 1988, the department also undertook to provide the government of Quebec with funds, amounting to approximately $700,000, to permit Quebec to add ten houses to the pool of housing identified for Port Harrison (Inukjuak), in recognition of the impact that this inflow of people would have on the 1989 housing plans for that community.

The evidence that we examined does not support the allegation that the government committed wrongdoing in the planning and conduct of this project. The material we examined leads us to a different conclusion, namely that the project was conscientiously planned, that it was carried out in as reasonably effective manner and that the Inuit participated in it voluntarily, in their own search for a better life, and that they benefited from the experience.

• (1240)

The findings of the Hickling report were not completely positive. The executive summary does include the following statement:

> In our opinion, the delay in settling the matter of the return of the remaining original families still at Resolute Bay and Grise Fiord is the only real basis for criticism of the Department of Indian Affairs and Northern Development, as far as this project is concerned.

This was the finding of the independent Hickling team. Having said that, however, the report's authors continued by pointing out:

> The circumstances that caused this delay have already been explained by several deputy ministers since the claim was first formally raised with the department in 1982.

The Hickling report did suggest that:

> —a concrete and definitive statement on what action the department now intends to take on this matter would be most meaningful.

Such a statement has now been provided by the Department of Indian Affairs and Northern Development in its response to the third report of the Standing Committee on Aboriginal Affairs which was tabled yesterday.

In that response, the government has stated that it is prepared to make funding available in the fiscal year 1991-92 to allow any of the Inuit families who were originally relocated, or their descendants remaining in Grise Fiord or Resolute Bay, to return to Inukjuak.

At the same time, the government is prepared to return certain possessions that had to be left behind in Resolute Bay and Grise Fiord when families were returning to Inukjuak in the past, or, if the actual possessions cannot be provided, will provide reimbursement to the people concerned. This will apply whether those people returned on their own or whether they returned under government auspices.

All the independent evidence shows that this project was conceived and implemented with the best of intentions on the part of both government and the Inuit families originally relocated. The evidence shows that the government has since responded honourably to those Inuit who subsequently decided that they wished to return to Inukjuak by financing transportation and housing and now by agreeing to replace lost possessions.

I would like to close by using the words of the team of that wrote the Hickling report which concluded:

> We do not see the grounds for an apology by the government for the manner in which the relocation project was conceived, planned and carried out—In our view, to apologize for a wrongdoing it did not commit would constitute deception on the part of the government—It would also imply that the project had not been reasonably successful, whereas this is not the case.

We have listened this morning to a great deal of rhetoric in the House and some of it does not serve the cause of either the Inuit people or the people of the country. I have heard the use of the word "exile", for example, which implies forced compulsion and wrongdoing. This simply was not the case. The government did not force the people to move. They did not compel people to stay. There is no evidence whatsoever of wrongdoing, as indicated by the Hickling report.

Finally, the hon. member for Comox—Alberni used some pretty strong language in his intervention this morning when he accused the government actions as being comparable to those of Stalin. It is not unusual from time to time for members of this House to get a little carried away by their rhetoric, but there is a limit. It seems to me that the hon. member has gone far beyond the limit of what is reasonable and what is logical and what is rational in terms of a rational debate.

Mr. Speaker, I would ask the hon. member to withdraw his ill-advised remarks and to apologize to this House.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I do not think the member was seriously indicating that I had made any unparliamentary statements with respect to this report. I think when you compare this report with the actual documents available from the Department of Indian Affairs and that are in the hands of the Makivik Corporation, anything I have said in the way of characterizing this report as a fabric of lies is accurate. I was not accusing the minister of lying, but I was suggesting that the minister had been lied to by his own consultants.

I would also suggest that the member herself by characterizing this report as an independent report is misleading the House herself because these consultants were hired by the Department of Indian Affairs. Makivik Corporation was given a choice of selecting one of the department's consultants. They rejected the two that

they knew were anti-native and only selected the one that they did not know. It was not much of a choice.

Yet the government characterizes this as a study acceptable to the Makivik Corporation. I suggest the hon. member pick up the phone to the Makivik Corporation and the Inuit Tapirisat of Canada and find out if they accept this as a joint report and she will get the truth loud, clear and simple that it is not a joint report. It is not an independent study. It is simply the bureaucrats circling the wagons again and shooting out at the Indians, as they always do.

What surprises me is that Conservative members in the House who do not have any direct experience, who have not heard any direct evidence, who have simply received the material from the Department of Indian Affairs, to protect the back-sides of themselves who are currently in the department, their retired members and members now dead in defending the actions and the attitudes of the bureaucracy at that time, are telling us today that the bureaucracy today has those attitudes and today is capable of carrying out those kinds of actions and in fact in carrying out those kinds of actions, based on that attitude, are being supported by Conservative members in this House. That is shameful.

I would like to see the parliamentary secretary dissociate herself from that kind of action on the part of this government. You do not have to get up and defend every civil servant alive or dead or retired who has committed these kinds of wrongdoings and admitted them in minutes of the Department of Indian Affairs and Northern Development back to 1953. You do not have to do that. You can take your own position.

What I am saying to and asking the parliamentary secretary is whether she is prepared to stand up and support the standing committee of the House which heard direct evidence or is she again defending a bureaucracy that has a whole history of these kinds of actions against native people in Canada?

Mrs. Dobbie: Mr. Speaker, the hon. member again uses inflammatory language, makes statements that are designed and geared to upset people who have a sense of insecurity already. The hon. member seems to have a very difficult time in dealing with what is reasonable, logical and with the attempt that everybody is making here to try to get at the absolute truth, to find an objective answer to the removal of the people from Inukjuak to Grise Fiord.

The member called the report a fabric of lies. I think that the hon. member should think very carefully before he makes such statements.

• (1250)

If he were not in this House, he would certainly be called to account for his actions.

If he is going to make such statements in this House, the hon. member should be prepared to provide some evidence to back up those statements. There is no evidence at all for such statements.

In fact, the independent report attempted with full honour and full understanding of the seriousness of this issue to dig through the mystery of memory and hard facts as I mentioned earlier in my opening statements and try to come up with what exactly happened.

The world has changed since 1953. Actions that were taken then that were considered reasonable, benign and in the interests of the people who they were dealing with at the time would not perhaps be considered in the same light today. We must remember that we are dealing with the context of 1953.

The study found that within that context, the actions of the department were reasonable and were motivated only by honourable motives and honourable intents.

I also want to respond very briefly to another comment that was made earlier, that people were left to their own devices when they went to the north. This simply is not true.

The movement of people from Pond Inlet, for example, from the high Arctic was a clear sign that the government was concerned that every effort be made to ensure that the relocation of the people from Inukjuak was smooth and that they would fit into the environment as quickly and as readily as possible in order to realize the benefits of the additional hunting and fishing that were available at the time.

I want to correct that for the record.

Mr. Skelly (Comox—Alberni): On a point of order, Mr. Speaker, the member who just spoke in response to my question accused me of making statements that were emotional or based on no evidence whatsoever.

I do have evidence to back up the statements I made. I would like to ask—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but that is a matter of opinion. There are other members who are waiting for a chance to speak, and I will now recognize the hon. member for Scarborough—Agincourt.

[*English*]

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, in 1984 when this government came to power, it said that it would redress and apologize to a number of communities: the Chinese community, the Japanese, the Italians.

We followed the Prime Minister in 1988 when he apologized to the Japanese, in 1990 to the Italians. There is the Sikh community, the Ukrainians and the Chinese waiting.

I am wondering. There is a very short, precise question that I have for the minister. We said about rhetoric and truth—

Mr. Skelly (North Island—Powell River): You're talking to backbenchers. Way back.

Mr. Karygiannis: Well, to the hon. member.

What will it take for this government to realize the mistakes of the past, come forward and say: "Look, we were wrong. Successive governments have not done it. We apologize." It will not cost a darn penny, so why can we not get on with the dealings and actually realize that what we did in 1953 was a tragic and a big mistake, and apologize to our native people?

Mrs. Dobbie: Mr. Speaker, I think the hon. member has a lot of nerve suggesting that this particular government should apologize for things that have gone wrong in the past when most of those incidents occurred during the time when the hon. member's party was in power.

In fact in this particular instance, as I have just said and as we have heard spoken this morning by the Minister of State, the independent study found that there was no wrongdoing by the government of the day. It would be a contradiction to apologize in an instance where it was found by an independent study that there was no wrongdoing.

As I said before, and far be it from me to apologize for anything the government of that day did, it appears that the evidence says that the government of the day was acting on what it considered to be the best interests of the people at Inukjuak.

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, a surprising situation occurred in this committee when a number of adults presented testimony to the committee. They were in tears, reliving the emotional experience that they had been put through in the area. They talked about exchanging sexual favours for food and necessities. They talked about rape, forcible confinement, slave labour and their mail being rifled. They gave an enormous amount of direct evidence to that committee. It is interesting that members of the RCMP were accused of wrongdoing. I would like to use a short parallel.

Some time ago in the community of Gibsons, an individual was beaten in the cells. He was beaten to the point where the individual almost died. The RCMP were accused of assaulting the individual and failing to provide medical evidence. The RCMP investigated and found no wrongdoing. They found that the individual had somehow come to a very bad end by his own desserts. That was the RCMP internal investigation and it took some time.

When it was turned over to the RCMP public complaints department, a completely separate organization, they investigated it thoroughly and found out that yes, indeed, the RCMP had assaulted the individual. They had failed to provide medical evidence and in fact, found them guilty of a grievous wrongdoing. Once an independent body is involved, where an internal job is not being done for the Department of Indian Affairs and Northern Development or the RCMP or the government, then there is hope to get at some justice.

This committee, on a point of almost honour in this House, has submitted a report in which the facts are laid out and recommendations are made. A previous Minister of Indian and Northern Affairs is prepared to go along with this idea. The government is now compelled to support some old-time Liberal government of years ago. The documents from the Indian Affairs department absolutely admit that this was an experiment. It is a sad commentary that for some reason there is a reversal of policy on the part of government that absolutely denies reality.

I am absolutely disgusted. I cannot think of terms strong enough to express the contempt for what is happening here today. I will sit down. If the government has a second thought on allowing this to reach a vote, this House should be permitted to comment on the kind of activity that has been seen here in the last days.

Mr. Stan Wilbee (Delta): Mr. Speaker, this is one of those very interesting times in politics when we are asked to use our retrospectoscope and look back 37 years to see what actually happened at that time.

It is very difficult for anyone to do this, even if they are members of this House. As I was sitting here, I was trying to think of anyone who may have been present at that time when this exchange was made. It is very important that we recognize that as things are written down, some things are missed or forgotten. To try to come to a conclusion at this stage is extremely difficult. There are perhaps two wrongs being done. Perhaps there was some mistreatment of our Inuit people from northern Quebec and Resolute. I think there is also a wrong being done to our civil servants who have been maligned and who have been accused of many different things to date.

I am probably the last person to in any way support a bureaucrat. I do believe that there is also a time when they should have their opportunity to express their opinions, to defend their position and defend the decisions that were made at that time. All we can do is try to go back to those days and consider what may have happened. These people who were responsible for making intelligent decisions would use whatever information they had at that time, to try to do the best for the Inuit who were the subject of this discussion.

They sincerely believed they should take these people from the area where they were obviously starving, where there was no game, where there was no hope for the future, to try to develop for them a better life further north in the high Arctic. This was the basis for the decision that was made at that time. It was made to try to better the plight of those people. Perhaps at that time, there were things—I see my time is up. I am sorry. Perhaps another time, thank you.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HARDING CARPETS

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, Harding Carpets survived the great depression. It survived the last recession, but it could not survive this government's economic policies.

After 65 years of manufacturing carpets in Ontario, Harding Carpets has gone into receivership. Last month it closed its plant in Collingwood, and this month it shut down its plant in Brantford. Six hundred people have been laid off, and unless a new buyer is found soon they will not be going back. Many of the people who work in Harding Carpets live in my riding. I would like to tell them that the federal government will help them to adjust, but I cannot because this government refuses to implement the adjustment programs promised in the last election.

I would like to tell these Canadians not to worry, that there are other jobs out there for them, but I cannot because the free trade agreement and this government's obsession with high interest rates have driven thousands of jobs away forever.

I would like to tell these laid-off workers that they will at least receive their due from unemployment insurance, but I cannot because this government has gutted UI, leaving workers needing additional weeks to qualify and getting fewer weeks to collect.

I will tell this government that Canadians are asking for a change of heart, a change of policy, and indeed a change of government.

S. O. 31

CANADA POST

Mr. Vic Althouse (Mackenzie): Mr. Speaker, Canada Post officials are so afraid of farmers and rural townspeople that they are bringing security guards with them to town meetings.

Canada Post recently asked for a closed door meeting with the town council of Arborfield, Saskatchewan. Four aggressive Canada Post officials showed up with one beefy security guard. There may have been plainclothes guards outside because Canada Post officials did not take any chances. They asked the nearest RCMP detachment in Carrot River to be available.

This show of force by Canada Post is most regrettable. Surely, if their case for closure made any sense, they could be selling it on its merits instead of having to resort to intimidation.

Loyal Canadians are being hurt by the closure or franchising of rural post offices.

I call on this government to reverse its orders to Canada Post and stop the intimidation and the closures. Please let Canada Post function in the interest of all Canadians, including rural people.

* * *

[*Translation*]

MUNICIPAL COUNCIL OF VAL D'OR

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on November 5, 1990, the municipal council of Val d'Or, with four aldermen absent, adopted the contents and preamble of a brief to be submitted to the Bélanger-Campeau Commission. This brief was prepared exclusively by members of the municipal council, while the population of Val d'Or seems to have been neither consulted nor informed about the proceedings.

On November 14 I wrote to the municipal council of Val d'Or, as follows: "As the member for Abitibi, I want to see an economically strong Quebec in a strong Canada. The real problem today is not the Constitution but the economy in Abitibi—Témiscamingue. Anyone who analyses the economic situation in Quebec, in Canada, and in our businesses is ultimately confronted with the problem of our national debt."

Mr. Speaker, I am very much aware of the concerns of the people of Val d'Or, and since 1984 I have been active, both in Val d'Or and in the Abitibi area in general, to help speed up the area's economic and social development, for the benefit of our children, women and men.

* * *

[*English*]

HEALTH

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, it is becoming obvious that MMT, the octane additive used in Canadian gasoline, is a serious health risk.

In fact, one of Canada's leading neuro-toxic scientists describes the manganese component of MMT as an insidious neuro-toxic substance that is taken in through the respiratory system and destroys brain cells.

Canadian children are particularly susceptible because their immune systems have not developed a blood brain barrier and they do not have an excretory mechanism to remove this vicious substance.

The neuro-toxic effects of manganese may lead to increased incidents of Parkinson's disease and other mental disorders. It is a national disgrace that this government sits idly by and allows the continued use of MMT in Canada when it has been banned in the United States since 1978.

I ask the government to act now and ban MMT and replace it with a renewable additive that is environmentally friendly, ethanol.

* * *

NATIONAL DRUG AWARENESS WEEK

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, today marks the start of National Drug Awareness Week. This event began some 12 years ago as a spontaneous expression of community concern over the devastation caused by alcohol and other drugs, especially among our young people.

National Drug Awareness Week is an example of grassroots, community based action at its best. It involves schools, businesses, police, the health care community,

and thousands of ordinary concerned citizens devoted to the promotion of a responsible lifestyle.

I call on members of this House today to continue to support and promote this worthwhile community initiative.

* * *

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the announcement last week that the federal government is only contributing $100 million to a new forest agreement in British Columbia is bad news for our forests, our environment, and employment in the industry. The president of Western Silvicultural Contractors says 100,000 jobs could be lost.

This government and its Socred friends in Victoria have both failed to deliver for our forests.

The question to ask now is: What about agreements in Alberta, Saskatchewan, Manitoba and Ontario that expired in March, 1989? Are they threatened as well?

The government says budgets are being cut to pay for our effort in the gulf? When will this government make an effort for our forests?

Get on with it. Let us sign those agreements.

* * *

GOODS AND SERVICES TAX

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, perhaps when the Minister of Finance and his bureaucrats speak about the GST they should look at a map. There is a Canada north of the 60th parallel.

Northern Canadians are in Ottawa this week in support of the amendment before the Senate to make special provisions for Yukon, Northwest Territories, northern Quebec and Labrador to zero rate the goods and services tax for northern regions.

The economies of northern Canada have unique characteristics that will influence a differential impact of the goods and services tax on residents of these regions.

The effects of the tax will be negative because our economy is very much a developing economy and our non-resource industry base is fragile and will not sustain any negative impacts.

One does not have to be a northerner to understand that the very location of the north poses some severe economic constraints, including the remoteness of prime North American markets, longer winters, and higher utility, transportation, communication and other costs. Added to these are small scattered populations, as well as low education levels for a large part of the population.

The GST is definitely another onerous and crippling blow to the northern economy.

* * *

[*Translation*]

FORESTRY DEVELOPMENT

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, I wish to join the lumber producers of the lower St. Lawrence in demanding that the new Canada-Quebec agreement on forestry development be signed as soon as possible. My government made a proposal worth $100 million to the government of Quebec on August 24 this year, and I think it is most unfortunate that as yet there has been no response to that proposal.

Although I must acknowledge that forestry is a matter that comes under provincial jurisdiction, the fact remains that as a federal government, we wish to help owners of private woodlots. They represent a major contribution to the economy of my region, and that is why they deserve our attention.

I say to the federal and provincial forestry ministers that these talks have gone on long enough. Let's have some action. Sign an agreement that will give my region and all lumber producing regions in Quebec what they need to develop and maintain a resource that is essential to our economic survival.

* * *

QUEBEC'S RIGHT TO SELF-DETERMINATION

Mr. Nic Leblanc (Longueuil): Mr. Speaker, it has been proven that under the present system it is impossible to co-ordinate federal and provincial economic policies in the best interests of all Canadians. The Canadian Manufacturer's Association has condemned this situation. The problem is a very serious one. Ontario's expansionist

policies, which had a free rein as a result of lack of federal control, are responsible for rising inflation in Ontario, and Quebec is paying the price.

Today, even if Meech Lake was rejected, Quebec still has every interest in limiting the federal government's spending power. That is why independence is the only formula that will safeguard Quebec's economic stability and ensure its economic growth.

* * *

[*English*]

PARKS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, we must begin to question legislation and regulations that take land and its resources away from residents of rural Canada.

A case in point was made in a letter from Judy Skidmore of Northcare, who explains what occurred in a recent meeting on access of local residents to the Polar Bear Provincial Park in northern Ontario. She writes:

> At our meeting I listened in embarrassment and frustration as a young trapper, wearing the Ontario Trappers cap, pleaded with the environmentalists to allow him to build overnight shelter from the rain on his trap line.
>
> The Federation of Ontario Naturalists representative could not agree with him. Several other Peawanuck people explained how their ATVs worked and how they would like to use the four of them in part of the huge park.
>
> I stated our despair and rejection of this meeting, where people of a northern community pleaded with four individuals from Toronto for shelter from the rain and for permission to use ATVs in their own region.

I submit that it is time to listen to the residents of the regions. These are the people who are living off the land, working with our country's rich resources.

* * *

• (1410)

[*Translation*]

REVENUE CANADA

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, the Minister of National Revenue continues to condone the poor judgment of its employees in handling the case of Réjean Perron, a taxpayer from La Tuque.

After I informed the minister that his employees waited until the four-year deadline was past to require Mr. Perron to file his tax return for 1985-86, I would have thought a sensible minister would have taken corrective action to deal with the discriminatory treatment suffered by my constituent. However, the minister insists on closing his eyes to the situation and knowingly allows this serious injustice to continue.

Instead of spending millions of dollars on advertising to convince people that Revenue Canada is fair and equitable in its dealings with taxpayers, I think the minister should do more to ensure that people whose interests have been adversely affected are compensated. That should be your first priority.

Mr. Perron is still waiting for the money Revenue Canada owes him. He did not steal this money. He paid too much on his deductions. He has proven he is a good citizen by paying his taxes, and why should the minister prove himself to be the opposite by denying him the refund to which he is entitled?

Mr. Saint-Julien: Shame!

* * *

[*English*]

GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, Canadian consumers such as my constituents in Nepean will be hard hit by this government's proposal to expose electricity costs to the GST. I have received more than 2,000 response cards from customers of Nepean Hydro protesting in the strongest terms against the application of the GST to their monthly electric bill.

Some of their comments are:

> Like food, water, and medical services, electricity is not a luxury, but an essential and vital commodity that should not be subject to the GST.
>
> It should be considered a service, not a source of revenue.
>
> Pensioners, like ourselves are alarmed and tired of this taxation invasion.

Successive federal governments have exempted electricity from taxation since the manufacturers' sales tax was introduced early this century.

The GST would cost hydro users an extra $300 million a year in the province of Ontario alone.

In summation, the sale of electricity should not be subject to a federal GST.

* * *

CANADA POST

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, Canada Post often comes under criticism in this House by various members including myself, but I would like to relate to members an incident in my riding where Canada Post bent over backward to accommodate the wishes of my constituents.

The residents at a co-op housing unit located at 143 Ryland Avenue, Truro, Nova Scotia, requested that door-to-door delivery be supplied to their complex. Although Canada Post found it not possible to comply with these wishes, it did put forth every reasonable effort to meet the needs of the residents. It did offer alternatives and left the decision to the people. On at least five occasions the officials visited the site and met with the residents and myself.

I would like to compliment and thank regional divisional manager, Mr. Gerry Roy, and his staff members, Mr. Barry Bennett and Wendall Skier, for their personal involvement and their efforts to bring this issue to a satisfactory conclusion.

* * *

EDUCATION

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, as Canada proceeds into the 1990s, our youth will need to be both well educated and well trained.

Almost two-thirds of all new jobs will require more than 12 years of education and training, yet we could see one million of our youth abandon high school over the next decade.

In this scenario, all segments of our society must work to encourage our youth to appreciate the merits of education.

For our part the federal government launched a $296 million stay in school initiative to reduce the 30 per cent drop-out rate in high schools.

Other segments are also taking up the cause. For example, two Lambton county school boards have entered into articulation agreements with Lambton College. The purpose of these agreements is to allow students to make the transition to college as easily as possible.

For the students, they provide a better understanding of what is expected of them in high school and college, as well as a clearer picture of career paths.

Important initiatives such as these must be applauded. I encourage more to make the investment in the stock of our country, our youth. I am confident that we will not be disappointed with the rate of return.

* * *

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, Canada's environment can breathe a little easier with the final passage of the U.S. Clean Air Act. The legislation has been hailed as a victory for the environment by placing a cap and targeted reductions on emissions of sulphur dioxide and nitrogen oxides, as well as tough new standards for vehicle emissions.

Canadian and American officials are currently discussing a bilateral treaty which would further protect Canadian lakes and forests from the adverse effects of acid rain causing emissions. However, we in Canada have far to go to match the progress of our American cousins. In 1985 the federal government concluded negotiations with only seven of the ten provinces, which called for reductions in emissions, but failed to set the targets, timetables and a national cap, as the U.S. bill does. The current negotiations for a comprehensive air quality agreement will be worthless without clear national standards on the Canadian side of the border.

The exclusion of the three most western provinces and the two territories leaves over half of Canada's environment unprotected by the existing agreements. National leadership is required if we are to seize the opportunity presented by the United States clean air law.

I call on the government to negotiate and implement national standards and a cap on emissions in the pending green plan at least as strong as the U.S. law.

[*Translation*]

WOMEN

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I would like to say a special word of congratulations to the women who have just been elected to school boards in Quebec. Forty-five per cent! These women will represent the people of Quebec when major decisions are made regarding the future of our schools and our children. This is a major step towards equality. The task will be difficult, but I know women have never been afraid of a challenge.

To the whole team, and especially to all women: congratulations!

ORAL QUESTION PERIOD

[*English*]

THE SENATE

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. Today the New Brunswick Court of Queen's Bench ruled that, when the Prime Minister packed the Senate in order to force through the GST, and the Prime Minister appointed additional senators, including one from New Brunswick, the Prime Minister was in error because he did not, at the same time, create an additional seat in the House of Commons for that province.

Also today the government leader in the Senate admitted that the ruling contradicted another ruling of the Supreme Court in Ontario on the same subject and the matter would have to be resolved by a higher court.

In view of that fact and because these are only two of a number of cases pending in courts around this country, I ask the Deputy Prime Minister if he will suspend all further debate on the GST in the Senate and not resume that debate until this whole matter has been resolved by the Supreme Court of Canada? Will he take that step today?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. Leader of the Opposition has a very novel way of reading the judgments from our courts. Quite contrary to the suggestion of the Leader of the Opposition that the court found the Prime Minister was not entitled to appoint a senator because of the requirement of Constitution Section 51A, he made the following comment: "Some people have distorted Section 51(1) in recent weeks. Its meaning is clear. It does not say a province cannot have more senators than MPs. It says a province is entitled to no fewer MPs than it has senators". The distinction is one with a difference.

Unlike the decision of the court in Ontario, the court in New Brunswick has suggested that following from the use of Section 26 and the appointment of the additional senators, an additional seat in Parliament should be created for New Brunswick. As the hon. member will know, when I addressed this issue before in this House, I said that the issue is arguable.

The court in New Brunswick is taking a different view from the court in Ontario. We will be appealing the decision of the court in New Brunswick because we, with respect, do not agree on the implications of Section 26. However, I think the most important thing about this is that we now have had two court decisions that reinforce the legality and propriety of using Section 26, which make it very clear that the rightness of propriety of legislation passed in this House and in the Senate is not compromised by the use of that power. I think the Liberal senators in the other chamber ought to get on with it and pass our legislation now.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Justice has not explained why, if she is so sure that the government is right, the government is appealing the case. It does not add up.

Yesterday the Minister of National Revenue said that the government has a secret mechanism to force the GST through the Senate and, speaking in British Columbia, the Minister of State for Small Businesses and Tourism admitted that the government may have to, and I quote, "slip a few months" and delay the implementation of the GST. I ask the Deputy Prime Minister, what is the government's policy? Is it to pursue the stalling tactics of the Minister of State for Small Businesses or the Rambo tactics of the Minister of National Revenue?

• (1420)

Why does the government not end the confusion, refer the whole matter of the GST and the Senate itself directly to the Supreme Court of Canada and get a ruling on this matter before proceeding with the GST?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I think is more appropriate here is the Leader of the Opposition asking himself why they are following these petty partisan tactics of delay in the Senate when he knows there is no justification for the delays that are going on in the Senate right now. The GST is going to pass. Everybody in this country believes the GST is going to pass.

What the delaying tactics in the Senate are causing is uncertainty with the small business community. If he would listen to the members of 17 different organizations who met with Mr. Chrétien and others, the delays are costing the business community of this country.

There is also a very real problem that the delays will result in low-income people not receiving a total of $600 million in low-income credits. Is that what members of the Liberal Party want, to see the low-income people in the country not receiving the GST credits? That is the question they should ask the senators.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, what the Liberals want is what Canadians want, and that is that the GST be scrapped, so that Canadians will not have to get only a part of the GST back through the credits while still lining the coffers of the government with the rest. That is what Canadians want.

The Minister of State for Small Businesses has also been quoted as saying about the GST: "I do not think we should pass it Christmas Eve and bring it in the next week. I think that would be wrong".

[*Translation*]

Mr. Speaker, why does the Minister of Finance insist on introducing this tax on January 1, when he knows perfectly well that his Minister of State is right? Why does he not suspend debate until the whole matter of the GST in the Senate is settled by the Supreme Court of Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I ask the Leader of the Opposition why he is supporting the petty politicking of the senators in the other place in delaying the GST when he knows that the Liberals have no alternative, when Jean Chrétien has said that there is no alternative, as he has?

His only response to that is: "Oh, I am going to form a little committee to see if we can find an alternative." The Leader of the Opposition knows that there is no better alternative.

The Leader of the Opposition knows that any alternative that the Liberals propose would be worse than the GST. It is playing political games with Canadians to hold out the possibility that there could be something better than the GST.

The GST will help our exporters compete internationally. It will help Canadian producers, whereas now importers pay one-third less tax. The GST will help reduce the cost of new investment.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of the Environment. Yesterday, the Executive Chairman of the Federal Environmental Assessment Review Office said in a letter, and I quote:

"We recognize the Great Whale project as a project that comes under provincial jurisdiction, and we believe that federal environmental assessment procedures do not apply".

Mr. Speaker, this is a flagrant contradiction of all the government statements made here in the House. Does the government intend to keep its word to environmental supporters in Quebec? Is it prepared to confirm that the project will not be split? Will the minister immediately issue a disclaimer on the contents of the letter sent by his official?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would have liked the hon. member opposite to read a few more paragraphs from the letter, because at the beginning of this letter, Mr. Robinson explained very clearly, and I quote:

"The federal environmental assessment and review process, a federal resource for environmental assessment and review, applies to the Great Whale complex since it is expected to have an impact in areas that fall under federal jurisdiction such as fish, marine mammals, migratory birds and the ecology of Hudson Bay".

Mr. Speaker, it is quite clear from the letter that the federal government maintains all its prerogatives in terms of environmental assessment, and this is repeated throughout the document the hon. member just quoted.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, this morning Mr. Allan Penn of the James Bay Advisory Committee, who was there when the letter was put out, said it was very clear that the problem is not lack of jurisdiction. He made it very clear "that the current government has retreated significantly from its previously expressed concern" for James Bay. In other words, the problem is not the law, it is the lack of political will on the part of this minister and this government.

I would ask the minister not to fudge and I would ask him not for his usual pre-recorded announcement. If he fudges, then it is good-bye to his green plan and it is good-bye to Bill C-78.

Will the minister agree to exercise full federal jurisdiction in the case of James Bay? Will he agree not to split James Bay II up? Will he agree not to allow a shovel to hit the ground in terms of the airport or the road in the case of James Bay, until such time as there is a full, federal, complete public hearing on the project? Or again, are we dealing with Rafferty II in different skin?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I have repeatedly said that the purpose of this government was to have a full environmental review process conducted on projects of this kind throughout the country and that all these projects should be reviewed before construction starts. That is exactly what we intend to do in this case.

* * *

THE SENATE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Deputy Prime Minister.

The House will recall that not so long ago the government was warned by the leader of my party about the constitutional uncertainty that the appointment of the eight senators would create. The judgment in New Brunswick today validates that concern expressed by my leader.

Does the government not realize the constitutional quicksand that it is drawing the country into? Will it not do the right thing, the thing that would solve the problem and ask the eight senators that they appointed to resign?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that the government would follow the spirit of the two judgments that we have from the courts, that, in fact, the appointments have not invalidated the activities of this House or the other House; and that the business of the Government of Canada should continue. I hope that the hon. member and his colleagues will urge the members of the other place to continue with the business of the Parliament of Canada.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the Minister of Justice should realize that any court judgment which calls into question the way in which the House of Commons is now constituted, that is to say, without the one extra member of Parliament from New Brunswick that the judge said would be necessary, is a very serious matter and not something that should be treated in the flippant way that she has just treated it.

Surely the minister realizes how difficult it will be to solve that problem without delay. The resignation of the eight senators would solve that problem without delay.

The Minister of Finance said he is concerned about the uncertainty that events in the Senate have created with respect to the business community. Is he not concerned about this most recent judgment, that is the one we have today, about the uncertainty that that will create? Would the government not move to resolve that uncertainty? If it is not willing to ask the Senators to resign, will it refer the matter to the Supreme Court immediately so that the matter can be dealt with?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague, the Minister of Justice has just said that this decision, together with the Ontario decision, reduces significantly the degree of uncertainty that exists.

Mr. Gray (Windsor West): Why aren't you appealing it?

Mr. Wilson (Etobicoke Centre): My friend asks why not appeal it. The Minister of Justice has said that the only basis for appeal is one narrow part of the judgment, not the basic substance of the judgment, which says that the Prime Minister was perfectly in order in using the Constitution to appoint the eight senators.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, we are not talking about one narrow part. We are talking about the judge having said that we must do without delay what is almost impossible to do, and that is to add another seat to the House of Commons. That is not something that should be taken lightly by the Minister of Finance.

• (1430)

He talks about uncertainty. We read in the paper today that the Manitoba government may well refuse to collect the tax for the federal government in certain sectors of the Manitoba economy. More uncertainty.

Why should any businessperson, consumer, or provincial government, for that matter, plan to collect or pay this tax, when the government refuses to deal with the uncertainty itself by referring this matter to the Supreme Court?

Some hon. members: Hear, hear.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would repeat again that there is no uncertainty about the validity of what the government has done. I can quote from the judgment of the Court of Ontario: "Finally, if New Brunswick is entitled to an additional member in the Commons, that is a matter for Parliament. The court has no jurisdiction to declare the House of Commons improperly constituted".

This House of Commons is properly constituted. The Senate is properly constituted. They should get on with their business.

Some hon. members: Hear, hear.

* * *

BILL C–78

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment who probably knows that this morning the National Coalition of Environmental Groups held a press conference to urge the minister either to strengthen or to scrap his proposed environmental assessment legislation.

The minister would alleviate public concerns about his bill by amending it to give the Minister of the Environment, rather than the minister proposing a project, the power to reject projects which would cause significant environmental impact.

Will the minister assure the House today that he would bring forward appropriate amendments to the committee before it starts its clause–by–clause study of the bill?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, first, I would like to commend my hon. colleague for expressing his concern and, obviously, his interest in Bill C–78.

As we all know in the House, we do not have the kind of environmental assessment legislation that we need in this country. Bill C–78 is a very important step in that direction to establish the kind of legislation we need.

As I have said throughout this process, I am more than happy to hear the recommendations of colleagues on potential amendments to the bill. Certainly, I will undertake to bring appropriate amendments, should they be presented to me, before the committee before we get to clause–by–clause.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I thank the minister for his reply, but he knows very well that it is better to have a bill with clout, than legislation that has no public support.

Therefore, again, will he undertake to support amendments in committee, whether they are proposed by us or by members of his party, that will give the Minister of the Environment the final say on the approval or disapproval of specific projects?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, as I have just said, I have indicated to all my colleagues opposite that I was more than happy to receive their suggestions for potential amendments to the bill and I have done the same thing with the provinces.

I have a short list of proposed amendments that we are studying very carefully. Yes, I will undertake to propose to the committee some amendments before we get to clause–by–clause, those amendments that we feel are in the same spirit as that of the bill and that will effectively

strengthen that piece of legislation. We need it and we need it soon.

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AIRLINE INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Transport. The minister will know that the Canadian airline industry is in a bad tailspin and, to make matters worse, yesterday the minister outlined in Toronto that the airlines will be forced to pay higher user fees, estimated to be upward of $300 million by the chairman of the Air Transport Association of Canada.

How can the government think of imposing such onerous user fees on an industry that is already badly destabilized and when the blow will hit hardest those who can least afford it, namely the far regions and smaller communities of our country?

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I think the House should know the full story. Yesterday, in my remarks to the association, I referred to the consultation paper that had been put out to the industry in July of this year. I referred to the fact that we were open to consultation and that, in fact, we had extended that consultation period, at their request among others, from November 1 to February 1.

What is not in the article is that after I spoke my officials participated in a full morning session on the very issue of cost recovery. There are lots of consultations going on. That is what the whole process is all about. The consultation period is by no means finished.

Mr. Sergio Marchi (York West): Mr. Speaker, I agree that on the one hand the minister agreed to extend the consultation, but on the other hand, yesterday, at a major airline conference in the country, he said very clearly that the airlines will be paying higher user fees and that there will be a new regime of those higher fees. One cannot have consultations and then directives in the same breath.

Again, why does the minister continue to threaten the airline industry with higher user fees? Those higher fees will break the backs of the smaller airlines, pass on increased costs to a travelling public that can hardly afford to travel this vast country as it is, and, thirdly, exacerbate the regional inequities between the larger airports and those in the regions where, despite where one lives, all Canadians deserve quality air service.

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, that is exactly what the session was about. I suggested that there would be higher user fees and cost recovery. I said I was open to a consultation. That is what I was there for. That is what I was there the day before to do. That is what I did the evening before. That is what I did during the day. That is what my officials did yesterday. That is consultation.

Now, with my hon. friend's background, and the party he represents, obviously he would not know anything about that kind of consultation.

* * *

THE SENATE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is directed to the Minister of Justice. I want to return to the New Brunswick lawsuit.

The minister will recall that four times in the House the leader of my party suggested to the government that it refer this matter to the Supreme Court of Canada because of the constitutional chaos it could cause. She will recall that she once said that that was arguable. Then she went to Vancouver and had a press conference and said: "Well, I have been advised by the Department of Justice that the these senators represent all the regions in Canada and, if you do not agree with me, go to court". Well, we did and we won exactly on that point.

Some hon. members: Hear, hear.

Mr. Waddell: How does the minister propose to get the eleventh MP from New Brunswick? Is she aware that that will likely include a constitutional amendment? Therefore, could she please tell the House which seven provinces does she have on her side to bring forward an amendment to agree to the GST?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am interested in the hon. member's opinion that it would require an amendment to the Constitution to add that seat.

The decisions that have come down on this subject confirm the position that I have taken in the House that the appointments are valid. I have stated that in the House and nothing that has been decided by the courts have stated otherwise. Clearly, the existing House of Commons is validly constituted.

The judgment from New Brunswick indicates that the Government of Canada should now find a way to add an additional seat to the House of Commons to represent New Brunswick. On this point, the judgment is in conflict with the decision of the Court of Ontario. It is on this point that I want to appeal the judgment. The difference demonstrates the difficulty in interpreting these provisions.

I believe that the issues are in front of the courts. No court has suggested that the government is not legally well founded in doing what it is doing with respect to the senator appointments and I am quite content that the legal process have its way in determining what else the government should do.

Mr. Ian Waddell (Port Moody—Coquitlam): I have a supplementary question, Mr. Speaker. The judge says that if Parliament fails to promptly devise a method of creating and filling 11 seats, the court could be asked to do so.

Does the minister not realize that she is putting all the laws of this Parliament in jeopardy if we do not have a legally constituted Parliament?

Some hon. members: Oh, oh.

Mr. Waddell: The minister was wrong before. She could be wrong again.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

[*Translation*]

Mr. Waddell: My supplementary question is directed to the same minister. The government is suggesting that adding a member of Parliament for New Brunswick is nothing but a detail. This is no detail. It is a major constitutional amendment!

Here is my question. How does the government intend to implement the decision rendered by the Appeal Court of New Brunswick? Will the government delay implementing the GST?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is a fundamental question. It deals with the legitimacy of the decisions made by this House and by the Senate. There is no doubt about that.

• (1440)

[*English*]

There is no doubt whatever about the legitimacy of bills passed in the House or legislation passed in the Senate. Neither of these decisions makes any reference to that, the legitimate way in which these houses are constituted, given the fact that those eight senators were appointed.

The question is, and I have said it in the House before that it is an interesting one based on the very difficult and arcane language of the Constitution, what flows from the valid use of that power. There is a difference now between two courts, the court of Ontario and the court of New Brunswick as to what flows.

Because we respectfully disagree with that aspect of the judgment of New Brunswick, we will appeal it, but at no time will the result of that decision impugn the validity of decisions made in this House or in the Senate. That is the technical detail.

If the courts confirm that another seat is required, then we will act to fulfil the judgment of the courts. But, respectfully, we disagree with the interpretation of the court of New Brunswick on that point.

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SCOTIA SYNFUELS PROJECT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology.

The people of Nova Scotia cannot believe his decision to turn down the Scotia Synfuels Project. This project would create 2,000 jobs for more than 36 years. That is more than three times the number for Hibernia and at a fraction of the public sector cost. It would produce four million barrels of high quality, clean fuels for Canadians and a clean use for Cape Breton coal. This project for tailor-made for the Cape Breton economy.

Why is the minister turning his back on this important project? Why has he abandoned his mandate for industrial development in Atlantic Canada?

Some hon. members: Hear, hear.

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I would like to say, first, that we have just announced within the tax credit two projects for Cape Breton for $24.5 million which means that we are not overlooking the economy of Nova Scotia.

Because it is in my hon. friend's riding, he knows very well that the Synfuels project has been running for 10 years now. What was requested by the promoters of the project was, first, that they wanted to have a $200 million Cape Breton tax credit. They wanted to have more. They also wanted to have a loan guarantee and an interest buy-down. That was not possible because of the fact that there was no private sector money guaranteed. Mr. Gillespie himself said that in *The Globe and Mail* yesterday.

The technology was good. We agree with that, but there was no money. It would be a very high cost for the Government of Canada and this point in time. This is the reason why we decided not to accept the deal.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the same minister. The minister will know that the premier of the Province of Nova Scotia, the entire provincial assembly in that province, labour unions, as well as all of the municipal representatives in Cape Breton Island, are supportive of this particular project.

Some hon. members: Oh, oh.

Mr. Dingwall: In the name of fairness and human decency, would the minister not agree to meet with the principals of this particular project and to sit down to work out a plan which is suitable to the Government of Canada, as well as the principals, in order to see that this project is realized for Canadians who live in that particular region of the country?

Some hon. members: Hear, hear.

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, the member knows very well that in any part of the country we need money to make a deal. We can have the support of all the provinces if you want, but you could not have the $500 million from the private sector to guarantee your project. You ask for a $200 million tax credit at the same time that you ask for a loan guarantee and the interest buy-down. It could not be a good deal. At the moment, you are not able to put even $1 and you want us to give a credit.

There is no way that we will support any project where the money which has to come from the private sector will not come. That is as simple as it is.

Some hon. members: Hear, hear.

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TRADE

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is to the Minister of National Revenue. I do not see him in his seat, so perhaps his parliamentary secretary would answer.

Cross-border shopping in the United States continues to have devastating effects on retailers in Canada's border towns, including a serious loss of jobs in the retail industry.

Has the government any plans to at least acknowledge the mounting problems its economic policies are causing and offer some relief for Canadian retailers who are facing very bleak pre-Christmas sales in the border towns?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I think the problem raised by my friend—not from London, unfortunately, but my other friend—has been the subject of discussion for the last two weeks with the municipalities along the border with the Canadian Retail Association.

We believe that we can find an answer, but I understand for those retailers at the border it is not easy. However, it has been a fact of life for those retailers for a long time, dealing with the United States and Canada.

Once again, the officers of my department are working with those people, and we believe we can find an answer in a little while.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, to the same minister. Is the federal government familiar with the plan announced recently by the Ontario government which would make funds available to retailers in specified border towns in Ontario, designed to help them

in their business promotion plans to offset that trend to shop in the United States?

Has the federal government any plan to participate in this initiative now, or will it be offering a similar plan before Christmas?

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, obviously, we are not as rich as the Government of Ontario, and we prefer to see if there are any other options that we can consider with those whom we are dealing with at the present time.

We are not considering—if I want to be very upfront—any possibility of putting money in any plan before Christmas. The fact of the matter is that we are working in different ways to face the problem, but in those ways, I do not have any package or subsidies at the present time.

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THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is to the Minister of the Environment.

No one is fooled by what is going on with the $24 billion James Bay II or the $8 billion Great Whale projects.

Quebec wants to proceed with an assessment of the roads and airports now, and then construct the $6 million worth of roads and airports while the environmental assessment of the flooding of the reservoirs and the dams is undertaken and then cry economic ruin should any part of the second phase be found unacceptable.

Does the minister not finally agree that the assessment must include the entire project in one piece? Otherwise, it is a process that will lead to roads to nowhere and irreparable environmental harm.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, as I have mentioned on quite a few occasions in this House, the government believes that there has to be a full environmental assessment done on the project before work begins.

That is the position we have had. That is the position we have been discussing with the province of Quebec, and that is the position we will stand by.

Mr. Jim Fulton (Skeena): Mr. Speaker, Quebec has decided to split the Great Whale project into two parts.

Discussions about a joint environmental assessment have been going nowhere now for 18 months. Will the minister, for once, do what is right rather than what Quebec Hydro wants and today implement the only choice that there is to protect the environment and proceed alone if necessary to assess the Great Whale project and its infrastructure as one piece, not as two?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I would like to make two points very clearly to my hon. colleague, one that I mentioned earlier on.

Under various acts and regulations, the federal government has all the power and opportunity to conduct a full EARP review. On the other hand, we are also dealing with the James Bay and Northern Quebec Agreement that was signed by the federal government, the Quebec government and by native people under the auspices, by the way, of the former Liberal government back in 1975. That is a legally binding agreement. We are trying, with the agreement on the one hand and with our power to have a full EARP review unilaterally declared by the federal government, to reach an agreement with the province so that the process can be done in a way that we will have the results before construction starts.

* * *

• (1450)

[*Translation*]

CRIMINAL CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of Justice. On many occasions, my constituents have complained of the fact that young people under sixteen years of age can buy small arms ammunition. Can the Minister tell us today whether the purchase or sale of ammunition is illegal when the buyer is less than sixteen years old, because it seems to me that, in Quebec, merchants do not follow the regulations?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, while the control of firearms is governed by the Criminal Code, ammunition is normally controlled under the Explosives Act.

Pursuant to section 120(1) of the regulations implementing the Explosives Act, ammunition shall not be sold to a person under the age of sixteen, unless the person can produce a valid permit issued in accordance with the Criminal Code. It is then the responsibility of the merchant to establish the age of the buyer. The regulations came into force on January 18, 1990, and impose restrictions regarding the age of the buyers for other types of explosives as well, including pyrotechnic devices. As a general rule, you must be at least eighteen years old to buy other types of explosives and the related material.

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TRANSFER PAYMENTS TO PROVINCES

Mr. Nic Leblanc (Longueuil): Mr. Speaker, my question is directed to the Minister of Finance. Experts from our national bank say that transfer payments largely benefited the richest provinces and fueled inflation in these provinces during the past few years. We also know that the minister's high interest rate policy is aimed at reducing inflation in these same provinces. Not only is Quebec at a disadvantage but it is paying for the mistakes made by these provinces and the federal government. Does the Minister of Finance intend to do something about that and to compensate the damages caused to Quebec's economy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the transfer payments benefit all provinces as regards some programs. The Established Programs Financing, the payment that is most important to the province of Quebec equalization, the province of Quebec is the largest beneficiary of that program by a substantial margin. We do have the normal review of equalization coming up, I believe, in a year or a year and a half's time. Those discussions are under way. There are representations that have been made by a number of provinces in the course of this review, Quebec being one of them. We want to allow those discussions to proceed before making any decisions on equalization.

[*Translation*]

Mr. Nic Leblanc (Longueuil): I was not referring to equalization, Mr. Speaker. I am talking about transfer payments to provinces under bilateral agreement concerning programs. What I mean is that Quebec is losing billions of dollars because of that policy. Will the federal government compensate Quebec for the billions of dollars the province and the people of Quebec have lost because that monetary policy penalized Quebec during many years?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are the Established Programs Financing transfer payments which are on an equal per capita basis, regardless of the province, so that Quebec has equal access to that program in the same way as Ontario or British Columbia or Nova Scotia.

As far as the payments for equalization are concerned, Quebec has a major benefit in that program as the largest beneficiary of that payment. All the other programs of transfer payments are a good deal lower than those two payments, the next one being the Canada Assistance Program. Again, that is on a 50–50 cost-sharing basis. For every dollar that Quebec spends, the federal government spends an equal amount of money. So, Quebec is not being disadvantaged by any of these programs.

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CANADA POST

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my question is to the minister responsible for Canada Post. Canada Post has removed postal services from hundreds of small Canadian communities, forcing many Canadian citizens to drive as far as 22 kilometres just to mail a letter or receive mail. The $149 million Canada Post had in profits is at the personal expense of many rural citizens. Will the minister, in fairness to all Canadians, guarantee equal postal services to everyone?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I suggest the hon. member get somebody else to write his questions for him because they are distorting the facts entirely.

There have not been hundreds of closures. There have been several hundred new post offices opened. There have not been any of the closures the gentleman is talking about. We have independent auditors who say that the service is getting better and that there has never been a time, in the 150 years of postal history, when everybody received the same postal service because everybody does not live in the same circumstances. I

know the hon. member will want to re-check his facts before putting any further questions.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, my facts are quite accurate. Here are a couple more facts for this minister and this government: Not only is the government taxing funerals with the GST and taxing the stamps that letters of condolence are being sent with, but the government is now depriving those on unemployment insurance and welfare by taking their cheques away, because they are unable to get them quickly, because the government is closing rural post offices.

The minister very well knows that citizens must have access to postal services. Will he take the responsibility required in his job and give fairness to all Canadians?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member is really stretching on that one. Those welfare recipients the hon. member is talking about will get a cheque on December 13, if the Liberal senators can be moved to take a decision.

Moreover, we have independent auditors to see that as soon as we mail the cheque, it will be delivered on time everywhere in the country, no matter where they live.

Third, Canada's postal service is second to none in the world, and we have independent experts to verify that as well.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Minister of Finance. There are about 500 furniture retailers in Quebec who stand to lose a full year's operating profits because they will not be adequately compensated for the federal sales tax included in their inventory. Yesterday, the Quebec Furniture Retailers Corporation claimed that this injustice would put a number of furniture retailers out of business.

Mr. Speaker, will the minister agree to withdraw the GST so as not to harm Quebec's furniture industry and the 21,000 people who earn a living in this sector?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member refers to furniture dealers as a whole. There are some furniture dealers who get a rebate that is equivalent to the amount of existing federal sales tax in their inventories. Other people will not get a full rebate and that, unfortunately, is what happens when there is an average rebate. Some people are below the average, some people are above the average.

But I would say to the hon. member, if he is really concerned about these furniture dealers, he will go down the hall and speak to Senator MacEachen and say: "We want to get this tax passed because the GST will result in putting the Canadian manufacturers of furniture on a level playing field with the international manufacturers of furniture".

Today, the international manufacturers are paying one-third less sales tax. That is why we want to get this sales tax through, to help those furniture manufacturers. But, if Senator MacEachen is still going to run the show, if Senator MacEachen is going to ignore Jean Chrétien, then there is—

• (1500)

[*Translation*]

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, this is not theoretical. It is the truth. This morning, I spoke to the Vice-President, Finance, of Groupe Rona-Dismat, who said that implementation of the GST would have a very adverse impact on members of his group. He told me that some would not survive. Why is the minister asking the private sector to take such losses in the middle of a full-scale economic recession? Why put companies, jobs and the families that depend on them at risk?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when the hon. member was talking to the representative of the furniture industry, did he say to that man what the Liberal alternative to the GST would be? Did he say that no alternative has been suggested? Did he say that there is an alternative, that it is going to be another form of sales tax? Did he say that there is going to be an alternative of increased income taxes for companies and for individuals?

The Leader of the Liberal Party, Jean Chrétien, has said that it would be irresponsible for the Liberal opposition to stop the GST without having any alternatives. What are the alternatives?

I think the hon. member knows that there is no alternative and that if there is an alternative it is worst than the GST.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Benoît Bouchard (Minister of Industry, Science and Technology): Mr. Speaker, I would like to come back to the question asked by the member for Hamilton East yesterday.

I answered a question dealing with Consumers Gas Corporation acceptance by my department, Investment Canada. I said at page 15388 of *Hansard*:

> —I will step in, not only with Premier Rae, but with former Premier Peterson who accepted the deal before he was defeated.

I would like to withdraw the section: "Premier Peterson who accepted the deal before he was defeated".

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

THE CONSTITUTION

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on a question of privilege to discuss an alleged contempt of the House of Commons.

With reference to the question of privilege I rely on Erskine May's *Parliamentary Practice*, the twenty-first edition, at page 115. I draw Your Honour's attention to the recent decision of Elizabeth Weir against the Attorney General of Canada, specifically on page 17 which concerns me. I will make sure you have a copy of it, Mr. Speaker. I just want to read a short paragraph on page 17: "The judge says the situation calls for the exercise of political imagination and ingenuity to devise a method of giving New Brunswick an eleventh member without delay and without disrupting the continued representation of the province in the House of Commons. If Parliament fails to promptly devise a method of creating and filling an eleventh seat, the court could be asked to do so. While the court cannot tell Parliament what to do, it is the guardian of the constitutional rights of citizens and will if necessary find a way to ensure that these rights are observed".

What the judge in the case is asking is that there be an additional seat for the province of New Brunswick. I almost said the province of British Columbia; you know, Mr. Speaker, how I was involved in trying to retain a seat from that province.

You will be aware, Mr. Speaker, that under our Constitution, specifically sections 41 and 42, provinces are represented proportionally in the House, that is the number of members in effect is proportionately weighed among the provinces. So if we give New Brunswick another seat, B.C. may want another seat or Quebec may want another seat. It is very difficult to do so without a constitutional amendment.

What concerns me is that pending a constitutional amendment in order to implement the judgment which the judge said should be implemented forthwith, the acts of the House of Commons that we have passed since the GST senators were appointed or that we are passing now in fact may not be legal. Let me put it this way: there may be a cloud on them.

My point is that the government has lowered the authority of the House. It has been in contempt of the House, specifically, by casting a shadow over all legislation passed by the House through the government's refusal to ensure that Parliament was constituted in conformity with section 51A. That is with the new appointments to the Senate.

Second is its refusal to refer the legitimate questions raised about the composition of Parliament—Parliament is the House of Commons and the Senate—to the Supreme Court of Canada for a speedy decision. There is a real question now, as a result of this judgment and as a result of the existing sections of the Constitution, that this House may be improperly constituted. That is a serious matter, and the government is in contempt in my view for not pursuing this matter right away. Government members should have pursued it before. We warned them and they would not pursue it. Now they have a judgment of a court. They should be pursuing it. Not to do so is to be in contempt of Parliament.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect, I would suggest that the hon. member's comments about the possibility of Parliament being improperly constituted are incorrect. The court in New Brunswick has just

issued its judgment today where it takes a different view of what flows from section 51A of the Constitution as a result of the use of the appointment powers of section 26. With respect, the government takes the view that on that point, on the point of whether New Brunswick is or is not entitled to another seat, the court in New Brunswick is in error. For that reason we wish to appeal that decision.

I think it would be highly inappropriate for Parliament to act on a statement of the law until all of the recourses for appeal have been proceeded with.

The judgment has just come down today. The Government of Canada has not made a decision as to exactly what route for appeal will be sought. It may be that it would be appropriate to refer to the Supreme Court of Canada. It may be appropriate simply to appeal to the New Brunswick Court of Appeal. I would like to have that decision made based on a judicious and thoughtful review of the circumstances.

I am not aware of this issue being raised in any of the other provinces. There is litigation pending with respect to the use of section 26 in the province of British Columbia, and there is ongoing litigation in Ontario on a different point. Whether those who had judgment in Ontario will wish to appeal the decision based on 51A is something I am uncertain of. They did indicate some wish to do so but appear to have withdrawn that.

I have never suggested that there was not an arguable issue here. It was the view of the government— and we acted on the view—that the use of section 26 did not require the election of another member of Parliament in New Brunswick. I think we should seek a clarification of this in the courts, but I would underline again that at no time has any court, either in Ontario or New Brunswick, indicated that as a result of the use of those appointment powers or any of the implications flowing from section 51A this House is improperly constituted.

It is the tradition in our law that we do not execute judgments until we have exhausted all of the avenues of appeal. I would respectfully suggest that the hon. member's comments about the need to act on that judgment are premature until all of the avenues of appeal and a definitive clarification of the law has been obtained.

Mr. Waddell: Mr. Speaker, there is some reason in procedure for what the minister is saying. I understand the minister has just got the decision today. The minister would indeed want to look at it, as she said. She would want to consider what she is going to do with it. I understand and appreciate that. That seems to me to be sensible.

What is concerning me—and I say this to the minister—is that just about anybody in the country may now want to challenge one of the laws that we have passed as saying that the House was improperly constituted. That presents some difficulty.

I would be prepared to put this off until tomorrow, to bring the point back after the minister has had a little time, as she asked for, to consider what position the government will take. I understand it is reasonable for the government to have at least a bit of time, but time is of the essence here and I would be prepared to have this matter recalled tomorrow.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I rise on the same question of privilege. The minister seems to be dealing with this matter in a very summary fashion. I do not think the minister and the government appreciate the gravity and the consequences of the decision of the court.

This Parliament, in my respectful submission, was properly constituted at the time of the last general election in 1988. There was a certain action that was taken recently by the Prime Minister and the government to appoint senators. The whole question of the Senate situation in the province of New Brunswick has caused the court to render an opinion and call into question the appointments made by the Prime Minister.

• (1510)

Mr. Speaker, I would ask you to consider the consequences of a future court with perhaps this case on appeal, such as the Supreme Court of Canada, deciding that yes, in fact from the moment the Prime Minister appointed the eight additional senators this Parliament was improperly constituted. I would ask you to consider

in your deliberations the consequences of that happening. Any Canadian bringing forward an action in the future challenging any law of this particular Parliament could throw the entire country into chaos.

While this Parliament may be supreme, it is incumbent upon the minister and the Conservative government to show respect for the rule of law. The courts have put into question or into dispute the appointment of these eight additional senators.

It seems to me that this government and this minister have a responsibility to ask immediately the Supreme Court of Canada to render an opinion on this matter as quickly as possible to avoid the very real potential of chaos in this country.

The possibility exists, for example, that a law could be passed by this Parliament and only carry by a single vote. The consequences could very well be different if an additional member of Parliament were sitting in this House from the province of New Brunswick.

Mr. Speaker, I too would ask you to rule that our privileges would in fact be severely affected by the inaction of this government or by this government not acting quickly to refer the matter to the Supreme Court of Canada.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Port Moody—Coquitlam has raised a very interesting issue which has been commented on by the hon. member for York South—Weston, and of course we have heard from the Minister of Justice.

According to what I have heard there are two judgments, one in conflict with the other. The minister has said that the most recent judgment which came down yesterday or today is going to be appealed.

If I were to accept the argument that this is potentially a question of privilege, I would then be faced with having to decide whether on what I have heard there is a prima facie case of privilege. It would be very difficult to do so on the basis of two conflicting court judgments as of today, even if it were appropriate for the Speaker of the House to be sitting in judgment on the interpretation of two different judgments.

Both hon. members have suggested that the government ought to take the matter immediately to the Supreme Court of Canada. That is a matter of policy and a matter of argument, but I do not think it is a question in which the Speaker of the House of Commons can order the government to do that.

Certainly today, as the situation stands, I do not feel that there is a sufficient case made for the Speaker to say that there is a *prima facie* case of contempt against the House, which of course would then go to the House for a vote and then, if the vote passed, it would go to a committee.

There are some obvious interesting procedural aspects to all of this to contemplate in the event that the situation did lead to a *prima facie* case of contempt. At least today, I do not think the Chair has to get into that.

I thank hon. members for their intervention. I thank the hon. minister. These are interesting and intriguing arguments that have been put forward. I do not think it would be appropriate for the Chair to intervene at this time.

Mr. Nunziata: Mr. Speaker, I do not intend to belabour the point, but the previous question of privilege suggested that there was a contempt of Parliament by the actions of the government. I would like to approach it from a different perspective.

The ruling of the Superior Court of New Brunswick is no ordinary matter. It is not an ordinary matter dealing with a law of this Parliament. I would suggest to you, Mr. Speaker, that our privileges are affected because the very work, the very authority of this House has been put into question, not by an inferior court appointed by a provincial government, but a Superior Court appointed by this Parliament. It is a federally appointed court in the province of New Brunswick.

The minister suggests that because there are conflicting opinions, somehow the decision of the court in New Brunswick has been neutralized. What if the court decision in New Brunswick was the only decision we were dealing with? Would the position of this House be any different?

Mr. Speaker, my respectful submission to you is that because a single Superior Court has called into question the issue of the eight senators appointed by the government, it also calls into question the legitimacy and the authority of the House of Commons. As we speak today, this judgment, this ruling, which is significant, suggests that we may be improperly constituted. Surely if there was ever a breach of privilege, it is the suggestion by a court that we are illegitimately deliberating here in the House of Commons because that court has called into

question the legitimacy and the authority of the House of Commons.

Mr. Speaker, I would ask that you take this matter under advisement, seek legal opinion from somewhere—wherever you seek your legal opinions—to determine whether in fact a breach of privilege does exist, not on the question of contempt but on the general question of a Superior Court in this country calling into question the authority and legitimacy of the House of Commons.

Mr. Speaker: I appreciate the hon. member's argument. It is very much a repetition of the argument that was given before on the question of privilege upon which I have ruled. I know that the hon. member would not be asking me to contradict a ruling that I just made a few minutes ago, but let us take for a moment the hon. member for York South—Weston's question of privilege as a completely separate matter and relating to the hon. member's own privileges.

The Chair is still faced with the same situation, even if it is accepted that it is a question of privilege. I am not saying it is but even if it was, the Chair would still be faced with the question of whether or not there is a prima facie case to put to the House.

The hon. member says that the New Brunswick judgment is of great importance because it is a Superior Court. So I understand is the judgment in the province of Ontario. We have two conflicting judgments and it is not for the Chair to either decide which of those courts is correct, although I am terribly tempted to do so, having given opinions on such matters for many years before I came to the House of Commons, but I am not really permitted to do that.

Second, I do not think that I am helped particularly by seeking a legal opinion, as the hon. member for York South—Weston said, from somewhere.

As I say, the issue is fascinating. It is fascinating to me and I think it is fascinating to hon. members, but I have to be very careful that I stay within the bounds of what I am permitted to do and I am afraid it is not appropriate for me to intervene.

The hon. Minister of Justice.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not wish to prolong this discussion but a number of comments have been left on the record that I think ought to be clarified.

The hon. member for York South—Weston and the hon. member for Port Moody—Coquitlam have both suggested that judgments of the courts of Canada have indicated that the appointment of the eight senators was improper. I think that is a very unfortunate impression to leave in this House because neither of the courts have found the appointments improper.

• (1520)

The judgment of Mr. Justice McRae of the Ontario Court of Justice, General Division says: "I have concluded that with respect to this question the appointment of the eight new senators does not violate the Constitution Act of 1867". In view of this finding, it follows that the House of Commons is validly constituted. It goes on to say that the court has no jurisdiction to declare the House of Commons improperly constituted.

The court in New Brunswick took a different view of the implications of the use of that appointing power for the right of New Brunswick to have a certain number of senators, although the court there very clearly makes the point that, as Mr. Justice Stevenson says, some people have distorted Section 51A in recent weeks. His meaning is clear. It does not say a province cannot have more senators than MPs. It says that a province is entitled to no fewer MPs than it has senators, the implication being that Parliament should remedy that.

Once again, the New Brunswick decision is a declaration. It provides no remedy. The suggestion is that Parliament should provide the remedy. I think the appropriate course is for a final legal judgment to be obtained. With respect, I would suggest that it is no more proper for this House to follow a judgment of the court of New Brunswick than of the court of Ontario. But I think it is very unfortunate if the impression is left on the record of this House that either court found the appointments improper, because that was not the case. I think the issue was a very different one from what the hon. member suggests.

Mr. Speaker: I was trying to make it very clear that there are conflicting opinions. It is not for the Chair to delve into them under the present circumstances. The hon. Minister of Justice rises, I suppose, on a point of order, but the ruling is made and that concludes the matter.

We have a question of privilege from the hon. member for Ottawa West.

* * *

PRIVILEGE

STANDING COMMITTEE ON THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I rise on a point of privilege relating to the proceedings of the Standing Committee on the Environment this morning.

I had a motion properly before the committee, of which I had given due and proper notice, having first notified the chair and all members of the committee some time ago that I intended to move the motion. Having given notice of the motion three weeks ago, I properly moved the motion this morning.

Before the motion could be voted on, one of the three government members indicated his intention to leave, specifically to break quorum and to prevent the motion being put. He urged his colleagues to leave with him, which they did.

The committee is desperately short of time to address the large number of urgent problems confronting the environment. The action at committee this morning further cut into that time by cutting the meeting short and preventing the committee from dealing with any other issue, until the government members of the committee choose to return, presumably with a large enough majority to beat my motion and carry on with the rest of the very lengthy agenda of the committee.

Canadians wish to have the House of Commons address these issues. To disrupt the proceedings in this way and squander the time of the committee is deplorable. This is the kind of negative partisanship that undermines the collegial atmosphere which the committee has developed over many months in light of the urgency and the universality of the problems with which we are dealing.

This morning's action by government members has prevented me, and through me, my constituents from being represented in debate on these important issues, both at committee and ultimately in this House, given that the motion requested the committee to take certain actions and report to Parliament on certain matters.

SPEAKER'S RULING

Mr. Speaker: I think the Chair and other hon. members know with what concern the hon. member brings these environmental matters to the committee. The hon. member has commented upon the collegial attitude that has existed for a long time in the committee and one would hope, of course, that that would continue.

The difficulty that the Chair is in again is a difficulty which I have referred to a number of times. The committee is there and the committee is the master of its own work, unless something happens in that committee which is so extraordinary that the Chair has to view it as a breach of privilege or a contempt. It may well be that a day or two from now the committee will re-engage in harmonious discussion, the Chair does not know. While the hon. member certainly has a grievance which she has expressed, I cannot find any means by which it would be appropriate for the Chair to interfere in the committee's deliberations.

I would hope that hon. members could come to some kind of working agreement and get on with a job that we all wish they would do.

Mrs. Catterall: Mr. Speaker, may I ask for clarification?

Mr. Speaker: The hon. member for Ottawa West is asking for clarification?

Mrs. Catterall: Mr. Speaker, my concern is that committees are in a very real way an extension of this House.

Mr. Speaker: I do not want to in any way keep the hon. member from raising a matter of importance, but I listened to the hon. member give a full and complete presentation. Perhaps I erred in letting it go on as long as I did, but it is not something that I can interfere with.

I think the hon. member will have to take her arguments across the floor of the House in debate, Question Period or privately, but I do not think we can continue this here. We are getting into debate as to what is or is not going on in the committee. I think that before

long there would be other members rising to ask whether it was in order to continue.

GOVERNMENT ORDERS

[*English*]

BANK ACT

MEASURE TO AMEND

Hon. Alan Redway (for the Minister of State (Finance)) moved that Bill C–90, an act to amend the Bank Act (extension), be read the second time and referred to a legislative committee.

Mr. Dave Worthy (Parliamentary Secretary to Minister of State (Privatization and Regulatory Affairs) and Minister of State (Finance)): Mr. Speaker, in my introductory remarks today to Bill C–90, an act to extend the Bank Act, I will be dealing lightly with the bill itself and concentrate more on the reasons why we are seeking an extension.

Bill C–90 is basically a straightforward bill. It seeks extension without modification of the Bank Act. As we all know, the Bank Act expires on March 31, 1991. Bill C–90 would extend the existing act until April 1, 1992. This will allow the government the time to get on with the reform of financial institutions legislation, including substantive amendments of the Bank Act as announced on September 27.

It is important that we have this extra time, this additional year, although changes in financial institution legislation may appear to be mere technical adjustments. They are in fact very significant, in part because they represent adjustments to an industry that is itself of major importance.

All Canadians will be affected by this legislation, and I think for the better.

The manner in which the federally incorporated financial institutions serve the needs of Canadians will be directly affected by the legislative and regulatory reforms that we have announced. I believe these institutions will operate more effectively and competitively and that they will be more accessible to meet the demands of Canadians.

Let us recall that the money handled by Canadian financial institutions funds the mortgages of Canadians. It finances our automotive purchases, shelters and invests our savings. It makes available the investment needed for new and expanded industries and businesses.

The success of these institutions is key to our economic success as well as our security as savers and investors.

Because of the particular importance of financial institutions in channelling savings to finance economic growth, it is essential that they be sound, innovative, dynamic and internationally competitive. The challenge was to develop a regulatory approach that protects the public while it encourages innovation and efficiency in our financial sector. We will meet that demand.

• (1530)

The objectives the reform of financial sector legislation will achieve are that, first, they will enhance protection for depositors as well as policyholders. Second, they will benefit consumers by increasing competition and by widening the spectrum of services offered by the financial institutions. Third, they will strengthen the ability of Canadian financial institutions to compete at home and abroad. Fourth, they will lay the groundwork for harmonization discussions with the provinces.

Hon. members will recognize that in order to protect consumers the government tightened up on prudential rules in 1987. These will now be further strengthened, including additional enhancements to the supervisory system. For example, tougher self–dealing rules will be implemented. The self–policing role of directors and auditors will be made more effective through mandated roles and responsibilities, and the superintendent of financial institutions will have increased powers to require information that will enable problems to be anticipated.

Consumers will find shopping for financial services more convenient and will benefit from a wider choice of financial products since banks, trust and loan companies, and insurance companies will be allowed to compete more directly with each other. The interests of consumers will continue to be protected. For example, the new Bank Act would also include the service charge disclosure provisions now contained in Bill C–9 which is before Parliament.

By opening new avenues of growth for Canada's financial institutions, the new regulations will strengthen the ability of these institutions to meet the new challenges that have evolved in the global marketplace.

However, we are all aware that there are competing interests within the financial institution community which cannot all be completely reconciled. In those cases we have sought a reasonable balance. For example, banks and trust and loan companies will be restricted from offering most insurance services and retailing of most insurance products in branches of deposit-taking institutions will be prohibited. This ensures that insurance will continue to be sold by qualified, licensed insurance brokers and agents working independently of any deposit-taking institution. At the same time, however, banks and trust and loan companies will be given the power to promote goods and services, including insurance, to their credit card holders.

The government has spent considerable time consulting on its proposals with financial institutions and their associations. It has integrated these views with its own continuing analysis on the needs of an evolving and dynamic market, both nationally as well as internationally. The process has led to firm, pragmatic policy decisions that are being put forward by this Parliament.

This exercise in reregulation represents a balancing of individual, national, international, and federal-provincial, as well as commercial and prudential, concerns that, as a package, will serve the public interest well and permit our financial institutions to get on with the job.

The measures set out a framework for strong national institutions to serve the national interest.

The reforms also respect provincial rights of supervision and authority in the financial sector. There is a need for a greater consistency among federal and provincial rules in order to avoid balkanization of regulatory regimes and permit our institutions to compete more effectively at home and abroad. The new legislation and proposals take into account a number of concerns that had been expressed by the provinces regarding matters such as commercial links, the in-house trust powers of banks, and provisions allowing for improved sharing of information among federal and provincial supervisors of financial institutions. This opens the door to in-depth discussions with the provinces to clarify responsibilities for the supervision of financial institutions.

Co-operation between federal and provincial authorities is the most responsible way of ensuring the stability and growth of our national and regional financial institutions. This would reduce the possibility of regulatory and supervisory duplication. The goal is to avoid, in practical terms and to the degree possible, the multiple regulation of federal and other institutions operating in several different jurisdictions. This approach could be designed to have institutions regulated as much as possible by their jurisdiction of incorporation.

I believe that the reforms of which I have spoken are important, are in the interests of consumers, and strongly support the need for increased competitiveness. Canada's financial institutions need all of those things today. But to deliver these benefits, we need time to prepare and get parliamentary approval of substantive amendments to the Bank Act that we will be bringing forward. The Bank Act extension before us today will give us that time.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I would like to speak briefly in favour of the motion for passage of Bill C-90, the Bank Act extension legislation.

I speak in favour of this bill, not because I agree with the government's financial sector policy, but because of the dire consequences if this bill is not passed. Bill C-90 extends the expiry date of the Bank Act and that, in turn, extends the licences of Canada's 10 domestic banks and the 57 foreign banks operating in Canada. Without this extension, these banks would lose their licences to operate on March 31, 1991 when the current Bank Act expires. This would cause a total collapse in our entire financial system and throw our entire economy into chaos, so that is why I am speaking in favour of the motion.

There are more than 3,000 Canadian financial institutions, operating today in Canada and throughout the world. Together, they have close to $1 trillion in assets. Through some 1,400 branches across the country, with close to 500,000 employees, Canada's financial institutions serve practically every individual and business in the country. Clearly, a collapse would not be allowed to happen, but this is the serious kind of problem that the government is tempting by waiting until the last minute to introduce an extension of the Bank Act.

A much more responsible approach would have been to introduce a new Bank Act this past September when the government introduced the new trust and loan legislation. The banks are central to Canada's financial system and it is important that Canadians are able to see the whole picture, that they can see the legislation that this government intends to bring in in connection with the four pillars, and not just see the legislation, piece by piece. Today, we have the last-minute introduction of Bill C-90 which is the latest example of government's unorganized approach.

I would very quickly like to go through the government's performance or record in the past five years in bringing in modern, new, financial legislation. In 1985, the government introduced a green paper on financial sector reform. That was followed by a blue paper in 1986. That was followed by four years of waiting by the Canadian financial institutions as they watched their global market share tumble.

Time is of the essence in the financial sector because of the rapid change occurring world-wide. Certainly a very important question in this whole area is: What has the government done for consumers and depositors of financial institutions?

• (1540)

Modern, new financial legislation should provide consumers with a better choice of financial services at more competitive prices. Consumers of financial services in many parts of the world are enjoying the benefits of modern legislative framework. There is no reason at all that Canadian consumers should not enjoy the kind of benefits as others enjoy in other parts of the world, but the government has denied Canadian consumers these benefits simply because it has delayed and delayed the legislation with regard to financial institutions.

We are also concerned that depositors at Canadian financial institutions continue to enjoy a high level of confidence that those deposits are safe and they are being wisely managed. This kind of continued security would be achieved through new financial legislation which emphasizes improved self-regulation, as well as a strong role for the Superintendent of Financial Institutions. As we all know, the government has denied Canadian depositors those benefits as well.

Contrary to what the government may think, there are consequences to the years of delay in bringing in meaningful financial sector reform. In fact, between the time the government released its first policy paper on financial institutions and the time when the new Bank Act is passed, close to seven years will have elapsed. That is seven years during which the government knew and acknowledged that the current act is outdated and is hindering our banks' ability to compete. That is seven years during which it failed to introduce new legislation to do something about it.

Here we are today debating an extension of the existing Bank Act when we really should be debating a new Bank Act. Instead of telling the banks what legislative tools they can use to operate and compete in a tremendously competitive world market, the government again is asking for more time. Reluctantly, we have to agree to give it more time, not because we agree with the government's approach, but because of the dire consequences we would face if Bill C-90 is not passed.

The soundness of the Canadian financial system and, indeed, the entire economy depends on it.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am not so quick as the previous speaker was to give agreement to this bill. This is a bill to extend the charter of the banks until 1992.

Last spring the government promised us a new Bank Act and it did not deliver. Last spring we were promised Bank Act changes and we have not got them. What have we got now? Bill C-83. The government says: "We are going to start reforming the financial institutions and Bill C-83 is going to be the first in a series of amendments to the financial institution operations of this country". So, we have got Bill C-83 and it has had second reading and it is in committee. Sometime in the next two years we are going to get the Bank Act, and then we are going to get the Insurance Act changes.

Why are we going through this strip-tease? Why are we going through this whole performance? First, it drops Bill C-83, and then we are going to get another dropped

in a few months or so, and then we are going to get the Bank Act. Why? Is it not better that we see all the cards on the table so that we can see how the amendments to the Trust and Loans Act meshes with the Bank Act and meshes with the Insurance Act? Why are we going through this? What is the gain? That is the question to be asked. We should see all the cards on the table so we can see the total picture. That is my first criticism.

It is not as if 1991 came upon this government suddenly. After all, it went into the free trade agreement and that is what is motivating the changes to the way the financial institutions operate. That is the real rationale, to follow what big brother in the United States is doing. God knows the problems they have with their savings and loans and their banks. If one looks carefully at what is portending for us in Bill C-83, one will see that we are following exactly what is being done in the United States. I will deal with the specifics later.

The other question I would like to touch on is what does the future hold for us? Look at what Bill C-83 has done and that is the trend, brothers and sisters. That is the trend. If one looks at how C-83 handles power, the concentration of power in Bill C-83 is in the minister's hands. Look at what is happening. Bill C-83 gives the minister special powers. Is this the trend for the Bank Act and other acts amending financial institutions in this country? The power is going to be centred in a political minister. We have had an example of how a political minister can make and use special powers.

We had the example of Amex. Amex does not qualify by the description of what a bank is in Canada. Yet the minister used special powers to give American Express things that Canadian banks cannot do. A Canadian bank cannot do the things that Amex was given. This is the special power used by the minister. This is the kind of example of what special powers can bring about. He used the special powers and gave Amex all sorts of powers and rights that Canadian financial institutions do not have. In other words, he changed the rules to suit the players, after the fact. It seems to me that the question is a legitimate one. Is this the way in which we want financial institutions in this country to be regulated and controlled? How are the consumers of financial services treated in that kind of scenario?

Ms. Hunter: Badly.

Mr. Rodriguez: Absolutely. Very badly.

In 1985 the finance committee brought out the green paper. They gave a blueprint for the way in which financial institutions ought to be regulated. It does not talk about giving special powers to ministers who have political connections. That is not what they talk about.

I would like to put on the record what the finance committee recommended on page 30 of that 1985 report. Consequently, the committee proposes the creation of a national financial administration agency, NFAA. This would be an autonomous Crown corporation involving representatives of the provinces, the financial industries and the federal government on its board of directors.

The committee suggested there be four provincially-appointed directors from the Atlantic provinces, Quebec, Ontario and the western provinces. There would be eight industry-appointed directors, two from the chartered banks, and one each representing the trust companies, the life insurance companies, the property and casualty insurance companies, the financial co-operatives, pension funds and security firms, if provincial ownership rules were changed to allow them to be closely held by federally-incorporated financial institutions. There would be five federal government directors, one appointed by each of the Bank of Canada, the Department of Consumer and Corporate Affairs and three by the Department of Finance. In addition, the board would hire an inspector general of financial institutions as chief executive officer of NFAA and who would also sit on the board to give a total board membership of 18. The chairman of the board of directors will be appointed by the Minister of Finance. This agency would act as the regulatory and supervisory agency for all federally incorporated financial institutions and for any provincially incorporated institutions if the provinces so desire.

• (1550)

It would establish conditions for memberships of institutions in the various consumer protection plans of this administration. Provincial institutions would have to comply with these conditions in order to obtain coverage under these plans. The agency would administer separate funds for each type of financial activity that would

act either as direct providers of consumer protection plans or as backup resources to industry-operated protection plans.

It goes on. It outlines the supervisory role that this agency would have. It does not propose that power be put in the hands of the minister. It involves the provinces because you have to harmonize the rules that govern trust companies that are incorporated provincially. They have to be harmonized.

This provides an opportunity and a vehicle to involve the provinces and to bring them within the ambit of the federal law. This does not allow the minister to exercise any special powers. We have a serious problem with that whole direction which we have seen in Bill C-83. It is pointing in the direction for the Bank Act, if that is the pattern, and it is pointing in the direction for insurance companies as well. We do not cotton to that idea very much. That is one strip-tease the minister can forget.

The minister talks about deregulating the financial institutions and reregulating them. That was the boast of the minister when he introduced Bill C-83. He is deregulating and reregulating them. Where is the power for the reregulation? The power for the reregulation is going to reside in a political minister, not in an agency as was recommended by the green paper in 1985.

Why was this proposal not incorporated into the changes affecting financial institutions? Why was it not? We are very concerned about the fact that we are getting into another recession. We remember the last recession and we remember the loosey-goosiness that resulted in the Northland Bank and the Canadian Commercial Bank. We remember them very well.

We also remember that in the last dozen years 10 trust and loan companies have had to fall back on using deposit insurance. Now we have another trust company that is on the death watch. We want to put this kind of power in the hands of a minister?

I may as well touch on the other issue that concerns us very much. Here is a minister and a Conservative government that represents special interests in this country. Then we look at the recent appointments into the Senate. All they have appointed are members of the same club. That raises for me another important question as to whether this Parliament should be looking at any regulation with respect to financial institutions until we have had some conflict of interest rules that binds members of Parliament and in particular binds the Senate.

An hon. member: Castonguay.

Mr. Rodriguez: I want to tell you, Mr. Speaker, that Canadians should quiver in their boots when we think about the potential for conflict of interest.

Who have we got over there? We have some of the most vitally interested people in the way financial institutions are regulated in this country.

We have this fellow Trevor Eyton. He is hooked in very directly to Royal Trustco and Edper Enterprises. We have Mr. Castonguay hooked into the Laurentian Group. We have Mr. Denino hooked into Cabot Trust. We have a whole host of them.

You can bet your bottom bitty that these are the people who are going to end up on the Senate finance and banking committee. That is the special interest.

We expect Canadians to believe that the rules governing financial institutions are going to be done in a most impartial manner. It is like thinking that Colonel Sanders is looking out for the social interests of the chickens. It never happens.

This is a serious concern. They are going to get plucked and tucked—I will stop right there. Initial consonants have never been my strong suit.

There should be no progress on any of this kind of this legislation until we have had a set of conflict of interest rules, which this government introduced. It has been sitting on the shelf. We should not be proceeding.

Another area that concerns me, and I heard the minister repeat it many times: The word is "globalization". That is the new word.

We have to get participants that are lean and mean, and also bigger at the same time.

Ms. Hunter: They look like they are fat and mean to me.

Mr. Rodriguez: The member says they look fat and mean.

That is what is going to happen.

I got the impression as I listened to the minister and watched the trend on Bill C-83 that the move to globalization of financial institutions is becoming more important than the interests of Canadians.

Why else when time and again on the whole question of bank service charges and trust company service charges when we cried out to have some ombudsman appointed who could look out for the interest of consumers, that idea was never followed through by the government? It was not interested in it.

It said: "Oh well, the superintendent of financial institutions would look out for that". The superintendent of financial institutions is more interested in the solvency of the institutions, not in ordinary consumers being very concerned about the way they are gouged in the marketplace with bank service charges.

It seems to me that as they move toward building these giant financial institutions that they want to build, in fact the interests of Canadians fall farther and farther behind.

These institutions began with us. Now they want to look to other interests, not the interests of Canadians. Pure profit is all that motivates their decisions.

It seems to me that they are destroying national markets to restore global markets. On that question, I have to ask: Where is the social responsibility of the financial institutions in this country? Where is their sense of social responsibility?

I saw one of the big banks in this country. We are all hearing horror stories of banks moving in on farmers, closing in on small businesses and demanding repayment in tough times. How did they treat Campeau Corporation? They forgave. They wrote off $80 million. The National Bank wrote off $80 million. How do they treat the small business person?

• (1600)

An hon. member: Student loans.

Mr. Rodriguez: Student loans. They are tough, real tough. Here are the banks. What contribution do they make to affordable housing in this country? They can make profits on affordable housing, but they can make bigger profits by lending to those risky things that Campeau Corporation got itself into. Pure profit.

I ask the question: What is the social responsibility? Here is a banking system that could find a $1 million bonus for a horse that wins the Triple Crown of Canadian racing, the Bank of Montreal. Isvestia won the three prime races in this country, and for doing that the owners of that horse get $1 million from the Bank of Montreal.

Where is the social responsibility? Where do we see it reflected? Do we see it in affordable housing? Do we see it in the training of Canadians in post-secondary education? Do we see the banks participating in any kind of training programs? Do we see them investing any of the hundreds of millions of dollars, the fantastic profits that they have been garnering in the last year or two? Have we seen any of this?

An hon. member: The clerks pay more in taxes than they do.

Mr. Rodriguez: The member says that the clerks pay more in taxes than some of these banks do, which is probably correct, but do we see any sense of community responsibility or social responsibility? No.

I cannot be so sanguine as to run in and say: "This is fine; you can do this". I have to start ringing the warning bells that this government is headed in the wrong direction. It should stop and reflect somewhat on where it is headed.

I want to ask another question. Government members have made a great big thing about the ownership of banks. They said that no individual or group can own more than 10 per cent of the shares of a bank. Does that cover a father with 10 per cent of a bank and a son with 10 per cent? Is that permitted? I ask that question. Can a father own 10 per cent of a bank and the son own 10 per cent of the same bank? I mean one family would have 20 per cent of the ownership of a bank.

What is the direction toward ownership of banks? We have seen the move with respect to schedule B banks coming in from the United States. They are going to be able to do all the things that schedule A banks do, yet they are not covered by the same rules that apply to schedule A banks. Canadians are covered by one set of rules. Americans are covered by a looser set of rules. The whole question of ownership needs to be looked at. We ought to look at the way ownership rules apply.

I get the distinct impression that as the pillars of the financial institution or the financial world in this country collapse the power is being shifted into the ministry, into the minister's lap. This causes grave concerns.

Look at all the smoke and mirrors being played with so-called Chinese walls which after they get through with them are more like Swiss cheese. There are no walls at all. They are just picket fences.

Mr. Bouchard (Roberval): You are very impressive.

Mr. Rodriguez: The minister says I am impressive. It is easy to be impressive when dealing with a subject so vast, a subject that I feel so strongly about, that is the question of economic power in this country. Is it being wielded for the benefit of all Canadians?

The answer I come up with, as I read Bill C-83 and about where the government is headed with respect to the way in which financial institutions are going to be regulated, gives me grave cause for concern. However, look at the smoke and mirrors. It says that we will have these walls because insurance companies will continue to market insurance and banks will not be able to market insurance through their branches, but banks can own an insurance company.

Why are we playing this charade? Insurance companies right now are taking deposits. They lend money and they are marketing insurance. They are operating like a bank. When one takes out a life insurance policy and pays the premiums, one is in effect making a deposit. When one accumulates value in the policy, one can borrow money from the insurance company. In fact insurance companies are much like banks. They take deposits in a way and they lend money, yet they are going to be marketing insurance.

What charade is that being played? We have to set out what those pillars are going to be in the financial institutions, if we are going to have pillars, and then we should set rules that apply to everybody. Either everybody is covered by the rules or no one is covered. We cannot have different rules for different organizations in the financial world. We certainly cannot have the power vested in a minister because we have been down that route before. Most definitely Parliament ought not to be dealing with changes to the Financial Institutions Act until Parliament has a proper conflict of interest law that covers both Senate and the House of Commons.

Grudgingly we are going to let this bill go which extends the charter of the banks until 1992, but I am serving notice that this party in this corner of the House has very serious questions.

We are not buying a pig in a poke. If it means that Bill C-83 does not get passed until we see the Bank Act and the changes to the Insurance Companies Act, then we are going to wait. We need to take a look at the total picture. We are not going to pass one and then find out that something does not fit or something does not gibe or the philosophy is not maintained throughout.

I serve notice to the minister that in fact we are going to be asking serious questions. We are going to question the direction in which this government is moving toward deregulation and reregulation of financial institutions.

Mr. Worthy: Mr. Speaker, I rise on a point of order. If you check with the House you will find unanimous consent to proceed through all stages of Bill C-90 today, which would include reference to Committee of the Whole instead to a legislative committee.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for the motion of the parliamentary secretary that the House proceed forthwith to adopt all stages of this bill?

The Deputy Government Whip—

Mr. Boudria: The Deputy Opposition Whip.

The Acting Speaker (Mr. DeBlois): Opposition, of course.

Mr. Boudria: Mr. Speaker, I hope that will indeed be the case in the very near future, and my colleagues as well. Thank you for your encouragement.

Seriously, Mr. Speaker, I would just like to point out that one of our members would like to take a few minutes to add a few words, and after that, we are prepared to accept this proposal. If the House is willing to accommodate us, we will be ready to proceed immediately afterwards.

• (1610)

[*English*]

Mr. Worthy: I have no objection to that, Mr. Speaker.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, I rise to make some very brief remarks on this bill.

I have met with many people from the insurance industry and many people from the bank industry. I have formulated the personal opinion that maybe it is time that the insurance business and the bank business try to bring in for the average person a straightforward solution regarding insurance.

Right now the average person can spend up to $4,000 or $5,000 on insurance costs if he has one or two cars, a home, and a small business. I believe it would be more feasible to amend the Bank Act so that banks can get into the sale of insurance. This would drive the cost of premiums down and make insurance accessible to the public. Members of the public at large would receive better service and greater accessibility to insurance if they only had to take a few minutes to go to the bank and purchase the insurance they need.

Insurance today is a complicated procedure. One has to hunt from insurance agent to insurance agent, which is costly. Right now an individual who has to spend an average of $4,000 on insurance might find a difference of 25 per cent to 30 per cent if that individual could go to the bank and talk to the bank manager or other professional who deals with insurance. He would be provided with a better, more accessible package, at a lower cost.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hastings—Frontenac—Lennox and Addington—Correctional Service Canada; the hon. member for Prince George—Bulkley Valley—Forestry; the hon. member for Bonavista—Trinity—Conception—National Defence.

[*Translation*]

Is the House ready for the question?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to. Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. DeBlois in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole for consideration of Bill C-90, an Act to amend the Bank Act (extension).

Shall Clause 1 carry?

On Clause 1—

[*English*]

Mr. Rodriguez: Mr. Chairman, I want to ask a question with respect to why there is a need to further delay the introduction of the Bank Act review. This was promised last spring. It is not as if this thing suddenly came up and slapped the government in the face. The government knows that every 10 years the Bank Act is reviewed, and the government knew that 1991 was coming. Why is the government going through this process? Why do we have to put it off and why do we not have it when we were promised it last spring?

Mr. Worthy: Mr. Chairman, I think the answer is that, in trying to deal as responsibly as we possibly can as a Parliament, not just as a government, we are taking the proper steps and going through the proper process. We have initiated Bill C-83, pertaining to trusts and loans, which is now before the finance committee. It will receive full and open debate and discussion.

At the same time as Bill C-83 was tabled, we also tabled the policy paper indicating the similarities and differences of the way the rules would apply to other institutions. We will be proceeding as quickly as we can with the other required legislation. The government has indicated that all pieces of legislation will be introduced at the same time. It will not be a staggered impact; it is going to be done and it is being done, I think, as quickly as we can do it, if we are going to be acting in a responsible manner.

Mr. Rodriguez: Mr. Chairman, the answer of the parliamentary secretary is not satisfactory. We have Bill C-83 before us and it is the basis of my next question. It seems to me that if we are going to have a series of acts that amend the way financial institutions operate, then as a responsible parliamentarian, I should have the proposals before me. I think it is very important to see how the one hinges on the other. These things are not going to be done in isolation.

In fact, in Bill C-83, as the parliamentary secretary well knows, there are many crossovers. The Bank Act will be applied, in certain instances, to other financial institutions. Certain aspects of the Bank Act, for example, disclosure on service charges, will not be enforced against trust and loan companies because there is some

argument, which I have not accepted, about provincial jurisdiction.

But I think that we are entitled to see the whole package. Since the hon. member raised it, why don't we have all of these bills before us? Is he suggesting we could hold Bill C–83 in committee and not deal with it until we get the other bills amending the legislation pertaining to the financial institutions of this country, so we can have the total picture? We do not want this strip–tease approach. I think we have a right to see the whole package and so do Canadians.

The parliamentary secretary says that they will all be implemented at the same time. Oh sure, they will all be implemented at the same time. We wanted them all introduced and discussed at the same time. We are going through this exercise with Bill C–83 and I think that it is not acceptable, because the government knew well in advance that the Bank Act had to be reviewed in 1991. I want the parliamentary secretary to deal with those questions.

Mr. Worthy: Mr. Chairman, I value the comments of the hon. member and I know that he has had long experience with the subject matter which we are discussing. However, the subject matter of the proposed legislation we are dealing with today is a very simple and basic housekeeping position of extending the Bank Act for a year, so that we can go through the process of dealing properly and responsibly with all parts of the bill.

Mr. Rodriguez: Mr. Chairman, no, no, no. The parliamentary secretary cannot get away with reading the scribbles from his bureaucrat. There is no way that I can accept that.

• (1620)

This bill is to extend the Bank Act. The question I am asking is why are we extending this? It will go to 1992, and hopefully we will get a Bank Act review before then.

At the same time we will present Bill C–83, amending and changing the way in which financial institutions operate. So it is a very straightforward question. Why has the government not brought before Parliament the various bills that will amend the way in which financial institutions will operate. We do not want this kind of piecemeal approach where if the House passes one bill, it will give us the next bill. Pass that, then we will get the next one, and then they will all be implemented at the same time and all proclaimed at the same time.

It seems to me that for the government to argue that it needs an extension, it must justify why an extension is really needed. I am suggesting that this government has been derelict in its duty and that it has had enough time to know that 1991 was coming and that it had the responsibility to review the Bank Act.

Even the Financial Institutions Act, C–83, has been promised to the financial institutions for years now and finally they have got it. The Trust and Loans Act that Bill C–83 amends has not been amended since 1917 and God knows how long it has been since the Insurance Act of this country has been amended. It is not as if suddenly these things all rose up out off the ground and slapped us in the face. These things have been around.

Now government comes to Parliament and says: "We don't want the banks to lose their charters when the House prorogues. We want to make sure that the banks can continue". Well, that is not good enough. I ask for a logical explanation.

Mr. Boudria: Mr. Chairman, I think I know what my colleague from the NDP is trying to get at. I am sorry that we cannot hear a definite answer from the government. Perhaps we could try and get an explanation.

The government obviously knew a number of years ahead of time that the Financial Institutions Act had to be reformed. There is now such a bill before the House. Presumably it knew at the same time, at least when it came into power in 1984, that it had to revise the Bank Act, or at least it must have discovered from reading the legislation that it expired in 1991.

Given that it knew both of those things, why is it that we only have a bill for one and nothing for the other? I think that is what our colleague is after. What we are hearing is that one bill does impact on the other. We are presenting completely new legislation in one area and in the other one we are just saying: "Okay, let us extend the old rules for one year". That is really what I think our colleague is trying to find out. I also think that the whole House would like to know the answer to that question.

In other words, can we get a commitment that there will not be a further extension after this one which our colleagues have indicated they are willing to grant, that no further extension will be necessary, that there will be a bill proposed, and that the other bill, which is presently

before the House for consideration, will be delayed so that we can examine both pieces of legislation concurrently. That, I think, is the question that the House would like to ask and the House would like to get an answer for it at the present time.

Mr. Worthy: Mr. Chairman, I was not trying to dodge the question earlier. There were two other people seeking the floor and I did not want to hog their mikes.

An hon. member: You were planning to give an answer?

Mr. Worthy: Why yes, I am prepared to. I know we are not in Question Period, we are in Committee of the Whole. Normally you let people have their say on things.

I like your analogy this afternoon of the strip-tease and obviously you want nothing but the naked truth. I wish I could provide it for you.

Mr. Rodriguez: No, no, no.

An hon. member: Bear with us.

An hon. member: It's a cover-up.

Mr. Worthy: As my colleague over here says: "Bear with us", and the other one yells out, "It's a cover-up." I do not know which one it is.

I cannot, of course, answer for all of the events that have taken place leading up to the financial institution reform and I sure as heck cannot answer for all the things that will or may be coming up in the next one or two years. I feel we would be terribly irresponsible if we did not proceed as a government in a proper and staged way. Possibly the way we are proceeding is not the best. The hon. member obviously feels that it would be better to dump everything at one time. I feel that anything that I have seen from the government side of the process is that it is a sincere effort to try to pragmatically and properly address the financial legislation. It is proceeding in an ordered fashion.

The bill being discussed today is the Bank Act extension. Most of the criticism and comments we have been hearing from the committee concern the financial institution reform as a whole.

Mr. Rodriguez: No, no, no.

Mr. Worthy: Yes I did. I think financial institution reform is a good thing for Canada. I think the comments of the hon. member are that it is overdue and that we should be proceeding more quickly with it.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I have a couple of quick questions for the member. We are dealing with Bill C-90, which consists of two sections. We are being told by the government that this bill must pass and if it does not pass, there will be chaos in the financial communities.

Can the member indicate to me exactly what would happen in practical terms if this bill is not passed? This bill would allow banks to carry on business until 1992. What would happen if, for whatever reason, this Parliament does not pass this bill over the next several months? Is he telling Canadians that the banks would lock their doors and tell their consumers that they cannot come in and deposit or withdraw funds? Will the banks have to liquidate? Let us get serious about the consequences of this bill not passing. I am not involved, as I am not one of the financial critics for this party, but as an ordinary Canadian listening in on the debate, I would like to know in a very sincere way, what the practical consequences would be.

My friend and colleague from Nickel Belt, the member of the New Democratic Party, seems to have worked himself into a frenzy over this bill. Just a few moments ago I thought he was going to take off. If there wasn't a ceiling in this place, he would be flying high. I was worried about his blood pressure for a few moments. We know that the New Democratic Party and particularly that member is anti-bank. They do not like banks. I am not sure whether it is because their mortgage rates or their business loan rates are so high. We know the New Democratic Party would like to nationalize banks. That, in fact, is a policy of the New Democratic Party.

The purpose of my intervention is not to criticize the New Democratic Party.

Mr. Boudria: Why not?

Mr. Nunziata: Why not, the member for Glengarry—Prescott—Russell asks. The reason why not is that our friends in the New Democratic Party are wallowing in hypocrisy. As they say in Latin *res ipsa loquitur*, which means the thing speaks for itself.

If I may return to the subject matter of the day, Bill C-90, can the member answer my simple question. What would the consequences, in practical terms be, of this Parliament not passing this bill?

Mr. Worthy: Mr. Chairman, first of all, I think it was the hon. member from your party, the critic for this ministry, who went into a fair amount of detail and was going through what she thought a lot of the ramifications might be. She was painting the disaster scenario. I did not mention it.

• (1630)

I would be concerned because obviously the Bank Act is the act that enables the process of banking transactions to take place. Without the Bank Act extension, banks would cease to be able to function, as I see it, in their process. Beyond that, it is beyond my capabilities to answer. It would be very serious if it was not passed.

Mr. Waddell: Mr. Speaker, I might say that I am enjoying, as much as is possible in these serious matters, hearing the parliamentary secretary from the Cariboo, British Columbia, and the hon. member for Nickel Belt. They do share an interest, a little secret, I suppose. They do share an interest in horses and it is nice to know that they know something about banks, too.

First, I want to say that we should be careful about this strip show stuff. This is a family program out there now and we do not want to hear this, especially when it comes to banks—strip bonds or whatever, maybe, but not strip shows.

I want to raise two points with the hon. parliamentary secretary. One is what my friend from Nickel Belt raised, and that is the notion of conflicts and why the legislation does not deal with potential conflicts. We have now, as the hon. member for Nickel Belt mentioned, a Senate that is stacked with financial people, bankers and big businessmen. The other day in the Senate one of those senators abstained from one of the GST votes. I hope I am not wrong on this and I stand to be corrected, but one would have thought that the senator abstained because he had a conflict of interest. It was over an insurance amendment. My initial reaction was that it is quite honourable of the hon. gentleman. I am told he abstained because he did not like the bill being against the insurance industry, and he did not want to vote for the bill. He was a Tory senator, one of the recently appointed senators.

Why are we not getting some conflict of interest matters with respect to banks and with respect to politicians in representing banks, and so on, on these bills that we vote on? It is easier in the House of Commons. One might have a connection with the bank, but it is such a big House with so many members, it is diffused. When the Senate is so packed with bankers and financial people, there is a real conflict of interest that arises. I ask the parliamentary secretary why there is not anything on conflict of interest in this particular legislation or at least a statement from the government that it is prepared to bring in good conflict of interest legislation and, particularly, prepared to bring in Senate reform legislation?

Some hon. members: Oh, oh.

Mr. Rodriguez: Of course, Allan MacEachen is a big consultant for the banks.

Mr. Waddell: The Liberals, particularly the member for York South—Weston, are heckling me. They are a little worried about the NDP in York South—Weston and some of those areas. They may need our votes to get back to the House, so they had better take it easy on us.

The second question I want to ask is the issue of checks and balances that was raised. We are getting letters about this. I have a letter from Shirley Potter. Mrs. Potter is from Port Coquitlam, British Columbia, and her letter is very typical. She writes to me and says: "I am writing to express my serious concern over a situation of a government which allows a Prime Minister to function unchecked in a manner which expresses his total contempt for the electorate, as well as the majority of the elected representatives. It is time for a serious look at the absence of checks and balances which exist and for action to be taken to correct the situation so it can never happen again".

Mrs. Potter goes on to talk about the fact that power is concentrated. In this country we have power concentrated in banks that decide to whom they will lend money and we have power concentrated in the hands of virtually one man, the Prime Minister.

The government comes to the House, after using closure 15 times in other acts to push things through and, when it comes to its friends in the banks, it wants to extend this legislation. It is not just housekeeping, it is a whole extension of the Bank Act.

Why do we not have conflict of interest legislation along with this or some statements? Why did the government not bring in changes in the Bank Act? Does the government expect, even if we give this extension to it, that it might come back to the House with a new or revised Bank Act? Is it possible that it would come back with a new or revised Bank Act to deal with some of the things that we have to do?

I just want to end with this. A Liberal member has said that we in the NDP are against banks. That is not true. We just want to hold the banks accountable.

I have a copy of a speech by Mr. G. F. Gaffney, the senior vice-president of the Royal Bank of the B.C. district. He was speaking on October 15 at the Empress Hotel in Victoria. He gave a very good speech on the banks and the environment. This man is starting to bring the banks up to date, making them responsible. Therefore, I ask the parliamentary secretary: Will the government not bring its legislation up to date, rather than postpone it? If we agree to this postponement today, is there a possibility that the government might bring in some legislation, sooner than the extension period that we will give to the Bank Act, to revise the Bank Act in terms of conflict of interest, in terms of checks and balances, and to look at the situation of the conflict of politicians in the Senate who are voting on these vital bank matters?

Mr. Worthy: Mr. Chairman, there were a lot of points brought up. To start with the hon. member's first point, I am not sure which end of this horse that I am, but I will leave that to his imagination.

The hon. member made two different points on conflict of interest. One is within the financial institutions themselves. I think the hon. member recognizes that there have been improvements made in the legislation that has been tabled and the policy paper that has also been tabled. I fully expect that reform of the potential conflicts within the boards of directors of financial institutions is being adequately addressed there.

He also got into Senate reform, checks and balances, and I believe the member is bringing up many comments and many points of view that are recognized across the country. It is just because of this that our Prime Minister initiated the citizens' forum that is now in the process of talking to Canadians, not only to Canadians in the Cariboo, to Canadians in Nickel Belt, and to Canadians in Newfoundland, but also to Canadians in Ontario and Quebec who also have opinions on this. Hopefully, coming out of all of that, there will be a reform that all of us will welcome.

Mr. Karygiannis: Mr. Chairman, I come from a small business. In any sense of the business, whether it happens to be small or large, one has to have a playing-field and a certain game plan of what one is going to do over the next couple of years.

Coming at the 11th hour, the government saying: "We need this legislation passed immediately or tomorrow we are not going to have any financial institutions. They are going to collapse". I feel that it is somehow irresponsible.

The member across talked about responsibility, sincerity, and everything else, and we are here today to address financial legislation. I am wondering if somewhere down the line we are going to sit down and look at the Bank Act and say: "Okay, we are going to bring in a Bank Act that is going to be for the long run". We should not, every so often, change it around and every so often come at the 11th hour to ask the House to give an extension for one or two years. The banks will not have to see what we can do tomorrow, and then a year from now tune in again to see where we are going.

Is it not time that the banks of this country of ours, for once and for all, got a permanent Bank Act so that they can look forward, trouble-shoot, and put things together. They should not have to come at the 11th hour to ask us for an extension. It is irresponsible that, at the 11th hour, a businessman must hang on to the television screen watching the Canadian Parliament to see if he is going to be in business tomorrow.

If we are going to talk about responsibility and if we are going to talk about fair government and all these things, I think that this should have been dealt with a long time ago.

Mr. Worthy: Mr. Chairman, I think the hon. member's point is well taken.

• (1640)

The government has indicated that it will be bringing in the new Bank Act just as soon as it possibly can. It will be early in the new year. If it is not a permanent act—in

other words, if it has a sunset clause in it—I think it would be at that point that the hon. member should make his recommendation that we look at a more permanent timeframe for it.

Ms. Callbeck: Mr. Chairman, I have been listening to this discussion and what I would like to know is why the government has not taken its responsibilities seriously and introduced a Bank Act, rather than an extension?

In 1985, there was a green paper on financial institution reform. In 1986, there was a blue paper. It is now 1990, four years later. What has the government been doing for four years? Why has the government not introduced the Bank Act, rather than the extension of the existing one? Second, I would like to know exactly when we can expect a new Bank Act?

Mr. Worthy: Mr. Chairman, if we introduced a new Bank Act today and tried to put it through in time to satisfy the date, the first thing that would happen would be that we would be accused of moving far too quickly and being dictators in the House.

I cannot account to the House why it has taken as long as it has. I know there have been many stages and the stages have probably been fruitful. We will probably end up with a better bill because we have taken that time.

But I cannot, and I really do not want to, go back and try to answer for the last three or four years. I would say that, if we are going to be dealing responsibly today, then we should be proceeding to give this extension to the Bank Act which that hon. member and the hon. member for Nickel Belt have indicated we should do. We could then make sure that next year, when the Bank Act does come in—and it has been indicated that it will come in as early as possible in the new year—that we then proceed with it as responsibly as we possibly can.

Mr. Assistant Deputy Chairman: We are still on clause 1. The hon. member for Nickel Belt.

Mr. Rodriguez: Mr. Chairman, the parliamentary secretary referred to Bill C-83. In fact, he signalled that Bill C-83 was a flagship of the other legislation that will come and it points the way for the Bank Act.

I have already disagreed with him that in fact we should see all of the minor ships in this flotilla and not just the flagship. I am prepared to suggest seriously to the finance committee that we hold Bill C-83 until we see the other cards in the hand.

Look where Bill C-83 heads us. The parliamentary secretary raised this and I want to raise it, too, and that is with respect to the special powers that will be vested in the Minister of Finance, if C-83 is the flagship and it points the way. That is the problem. On page 32 of the report of the Standing Committee on Finance and Trade and Economic and Affairs in 1985 there was a proposal with respect to the supervision of financial institutions and the regulating and overseeing of financial institutions. It is all outlined in recommendations Nos. 1 to 6, the establishment of a national financial administration agency.

That agency will have a board of directors. That board of directors will represent the provinces and financial institutions. It will represent the Department of Finance and the Ministry of Consumer and Corporate Affairs and, therefore, consumers will get their representation.

Here is what has been happening and it is the point I raised with the parliamentary secretary. If that is the path, then the government is closing off any potential for the implementation of this kind of recommendation in a subsequent Bank Act amendment.

I am saying that ought not to be dealt with in Bill C-83, so that when we come to the Bank Act it cannot be said: "We have already decided that in Bill C-83, so we cannot raise this matter with the Bank Act revision".

I have, Mr. Chairman, a serious concern about vesting that kind of power in a minister. I think that this was the better route. I want to know why this recommendation of the finance committee was ignored.

It also gives the provinces opportunities to harmonize their legislation governing their financial institutions with federal legislation.

I want to know: What is the justification for ignoring this recommendation?

Mr. Worthy: Mr. Chairman, I think the points you are making indicate the wisdom and also the need, obviously, for this bank extension that we are dealing with this afternoon.

I do not have a perception that the legislation that has been put in in Bill C–83 is either fixed or unchangeable. The process that you have indicated, the recommendations that you are making and the questions you are raising in the finance committee and on the floor today are not only proper, but it is the way legislation should be processed.

In fact, as this process proceeds as it should, we will end up with the financial reform legislation properly constituted, properly reviewed, properly debated and flown through the committee precisely so that we can deal with it in the manner that we require the extension of the Bank Act that we are asking for today.

Mr. Rodriguez: Mr. Chairman, I want to ask, since we have people from the department for whom I have a great deal of respect with regard to their knowledge of these matters, about the matters I raised in my speech.

Does the 10 per cent ownership, a rule of banks, apply to the same family? Can a father own 10 per cent under the present Bank Act and can a son own 10 per cent of the shares of a bank?

Mr. Worthy: Mr. Chairman, I will do my best to respond.

Under the present act, if a father and a son were to act independently, there is not something that would preclude it. If they started to vote their shares together or were shown to be in concert, then the interpretation right now would be that that would not be allowed.

I would like to point out as my comment though under the new powers that you have been critical of where the minister does have more discretion in the future under the new acts regarding trusts and loans where the minister has more discretion, he would probably be able to make decisions on some of those stock transactions that you are concerned about.

Mr. Rodriguez: Mr. Chairman, I am very critical of the special powers that ministers have. We saw the special powers of the minister that allowed American Express to be declared a bank in this country when it is not even a bank in its own country by its own rules.

Yet, it comes here and is considered a bank. There was a great deal of suspicion at the time. The reason why it got special treatment from the Minister of Finance was because the head of American Express supported vigorously the free trade agreement.

I am not a cynical person, so I would not dare suggest that. There was this common rumour around that that is what it was. I do not believe in special powers for ministers. That is why I support the recommendation of the finance committee which said these things ought to be regulated by this national financial association with a board of directors which sets those ground rules and supervises that. Then the consumer is protected.

• (1650)

I have no confidence in this system where somehow or other every time the father and son vote together it is a potential conflict. Are there rules that say they cannot vote together at all? Surely that is ridiculous. Either the 10 per cent rule applies or it does not apply. To think that families do not have a vested interest is ludicrous.

I want to ask about dormant accounts in banks which, after 10 years, are deposited with the Bank of Canada, I believe. What happens after that? Do another 10 years go by? What is the procedure? Who gets the money from these dormant accounts? How much money was in the dormant accounts last year, for example? How much money are we talking about in dormant accounts?

Mr. Worthy: Mr. Chairman, the officials have indicated that they would be quite prepared to answer any of these questions, but they do not have the information with them right now to do so.

Mr. Rodriguez: I would appreciate receiving that information.

Since we have the opportunity, I also want to find out—and I would like the information sent to me in writing as well—how much banks make on Canada's national debt. In other words, how much of the banks' collective profits come from the use of depositors' money in purchasing Treasury Bills? Is it possible to get that information because they certainly have a vested interest in the national debt of this country?

Mr. Worthy: Mr. Chairman, perhaps I am a little confused but I would have thought that is something that could have been asked on the *Order Paper* or through the normal process.

I have some concern with how it affects the passage of Bill C-90. I am sure that if the question were written out for the officials, they would be quite happy to try to get the information.

Mr. Rodriguez: Mr. Chairman, I think these questions have to be asked when the people who are knowledgeable in the whole process of financial institutions are present. That is why I put them on the record. If we could get the information., I would appreciate receiving it.

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Loiselle moved that the bill be concurred in.

The Assistant Deputy Chairman: Is it the pleasure of the committee to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to.

[*Translation*]

The Acting Speaker (Mr. DeBlois): When shall the bill be read the third time? With leave of the House, now?

Some hon. members: Agreed.

M. Andre (for Mr. Loiselle) moved that the bill be read the third time and passed.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, just before this gets passed, on division, at third reading and goes to the other place, I want to once again—

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. government House leader.

Mr. Andre: Mr. Speaker, I do not want to interrupt the hon. member for very long. I just would like to indicate that it is my intention to declare tomorrow an allotted day, a supply day.

Mr. Boudria: Mr. Speaker, perhaps the government House leader could stay for a moment. It was my understanding that we had passed, with unanimous consent, a motion to adopt this bill at third reading this day and there are only two minutes left. I notice we are still debating, so perhaps we could get some clarification as to whether or not the unanimous consent that was achieved earlier this day will be adhered to. We did not put up a speaker, not for lack of interest in the bill, but we wanted to indicate that it was our understanding to live with the consent we had engaged in earlier this day.

Mr. Nunziata: Mr. Speaker, we have been hearing considerable rhetoric from the NDP over the last hour or so, notwithstanding the fact that earlier this day they gave their undertaking and commitment that they would pass this bill, unanimously, by five o'clock, so stop the hypocrisy and get this bill passed.

Mr. Rodriguez: The only hypocrisy comes from the member who just spoke. Mr. Speaker, I wanted to conclude by flagging the concerns we had. We heard the parliamentary secretary attempt to answer. He did not answer the question as to the rationale for having this postponement and so at report stage, on division, we let the bill go and we will let it go on third reading, on division.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to and bill read the third time and passed, on division.

The Acting Speaker (Mr. DeBlois): It being 5 p.m, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

NATIONAL HERITAGE DAY

MEASURE TO ENACT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved that Bill C-288, an act respecting National Heritage Day, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is indeed a pleasure and an honour to speak in the House this afternoon on my private member's Bill C-288, an act respecting National Heritage Day.

• (1700)

I want to place before the House today a bit of the brief history of National Heritage Day. I also want to talk about some of the recognition that already exists for this bill. As well I want to call upon this House—and I hope the government in particular will endorse it—to support this very important historic legislation.

Bill C-288, an act respecting National Heritage Day, really looks at two or three fundamental areas. The first is a way to recognize the cultural history that we all share from coast to coast to coast or to look at the heritage that we have been raised with. In doing that we would emphasize that in Canada as we have come to know it we do not wish to have a monolithic view of our role in history, our role as citizens of this country. I think this bill will recognize those views and attitudes. It will actually create a National Heritage Day, which would be the third Monday of each February. It would also be a welcome break in the long haul in this northern country from the Christmas break and the festivities for many through to the Easter-time period on the calendar.

There is no question about it. It is a chance for all of us to catch our breath. Perhaps a few rays at that time of the year would probably go a long way toward helping cheer all Canadians, thus giving them a chance to strive to do more work at their workplace, to enjoy their families more, and to continue to participate as full citizens.

Let us take a brief look at how I would argue that National Heritage Day is already recognized but in name. Of course that it what this bill would do. It would officially sanction many different events across the country. We are starting to group together and starting to know our National Heritage Day.

In 1973 the Heritage Foundation Association of Canada really started it all by declaring that the third Monday in February would be an opportunity to reflect back on our cultural heritage and our role as Canadians, our cultural heritage as it relates to many things: our environment, our buildings, and our lives.

It has gone on from there to Alberta, which now recognizes National Heritage Day in its own unique Alberta way as Alberta Family Day. As well, there have been representations in the past to have National Heritage Day, the third Monday in February, recognized as International Peace and Goodwill Day.

Around that time of the year, as we listen to editorials and commentaries on the radio, watch them on television and read them in the newspapers, we realize that many newspapers and media outlets have endorsed the concept of National Heritage Day: *The Toronto Sun*, *The Evening Telegram* and *The Gazette*, to name a few, have all gone on the public record as endorsing and supporting National Heritage Day.

Generally on National Heritage Day we get a message from one of the ministers of the Crown. It is usually the Secretary of State who will make some wonderful comments about his concerns for the country and our multicultural diversity and will give an endorsement to National Heritage Day.

Mr. Speaker, I know you have one of these books as well, but even in the official House of Commons date book which all members of Parliament receive Heritage Day is recognized. I would argue that in essence we are already starting to recognize National Heritage Day. It is my view that my particular private member's bill is going to legislate and put into law what we are already practising.

Parliament was dealing with this bill as early as, according to some references I was able to find, 1980 when the member for Notre-Dame-de-Grâce and Ms. Pauline Jewett, a former member of Parliament from my caucus, made a number of motions and representations to have National Heritage Day recognized.

In 1981, the Hon. Stanley Knowles really started the ball rolling in bringing forward motions on a regular basis, trying to recognize and get the concurrence of this House for National Heritage Day.

Perhaps it is a small honour to try to carry on that tradition. If we are unable to have this bill passed by this Parliament today, I will be making every effort in subsequent Parliaments to bring forward this legislation so that at some point in time we can actually legislate it.

There is some rumour, perhaps behind the curtains, about this session of Parliament. Are we going to continue sitting until Christmas? When might we rise?

Are we to expect to prorogue soon and come back some time in the new year?

Mr. Speaker, I know you will know about a break when we know. Perhaps Parliament will not be sitting and we will not have an opportunity to recognize National Heritage Day in this House. If this Parliament prorogues and comes back with a new session of Parliament, certainly one of my colleagues or I will make every effort to see that this bill is brought forward again so that we can eventually consider it.

There is a good reason to support the bill today. It is not a very long one. Anyone who is interested can certainly contact my office to obtain a copy of it. It is a five-section bill. We also have coming up in 1992 Canada's 125th birthday, which was recognized in the Throne Speech back in 1989. The government made a commitment at that time that it would be developing considerable activity around what to expect in 1992, Canada's 125th birthday. Throughout the country Canadians in various communities and areas will be celebrating Canada's 125th birthday.

Montreal will be 350 years old. Closer to my home, the Alaska Highway, a very important transportation link between Canada and Alaska, will be celebrating its 50th. If it is not done for 1991, I suggest that this would be perfect legislation to bring forward—and we will even let the government bring it forward—to help all of us celebrate Canada's 125th birthday in 1992. There are opportunities today and in the future to go forward and support this legislation.

In debating the bill it is important to outline a few of the points in the legislation. There has been some debate and discussion. I did appear before the relevant committee to make a submission about why I thought this bill should be deemed votable. I made the submission based on some comments about the cultural history of this country in response to one of the questions asked of me.

Does Canada really need another holiday? What about the lack of productivity that we will suffer in Canada? That is one of the arguments used against this legislation or this proposal. I responded to it this way. I said that it was to the benefit of employers, organizations and Parliament, for the better you are, the more happy a soul you are, the better a person and the more productive you are going to be.

• (1710)

I took the argument and turned it around. I made the argument that through declaring a National Heritage Day we would actually increase the productivity of the nation, largely by giving people at that time of the year when it is a little dark and a little cold a chance to catch their breath. They will feel all that much better about themselves, about perhaps who they work for, about their communities, about their provinces and about their country. In fact we will gain a great deal from any of the so-called productivity losses that have often been mentioned by critics of this particular proposal.

I would like to read into the record a couple of definitions which I think will be important for people who have been following this debate. It is from clause 4 and I quote the definition of a general holiday. I think is important, given that we are talking about national policy. It reads:

> The definition "general holiday" in section 166 of the *Canada Labour Code* is repealed and the following substituted therefor:
>
> "general holiday" means New Year's Day—Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day and includes any day substituted for any such holiday pursuant to section 195;

I did not read the amendment which this bill would make to the Canada Labour Code. That of course would make National Heritage Day a general holiday in Canada, subject to some of the usual rules that we have come to know. I suppose some of them have been bent a little from time to time by employers, employees and others, but the general recognition would be that the third Monday in February would become a general holiday as it is known in the Canada Labour Code.

There are a couple of other sections as well that I should mention. One in particular is a consequential amendment to other legislation. It is always important to give a little background as to how we obtain a day like this and what are the results of that. Often we are at home debating and wondering about our participation in some of these holidays, where they came from, and what is the background to them.

I will read into the record clause 2 of Bill C-288 which deals with the whole question of the consequential amendments:

> All that portion of the definition "holiday" in section 35 of the *Interpretation Act* preceding paragraph (a) thereof is repealed and the following substituted therefor:
>
> "holiday" means any of the following days, namely, Sunday; New Year's Day; National Heritage Day; Good Friday; Easter Monday; Christmas Day; the birthday or the day fixed by proclamation for the celebration of the birthday of the reigning Sovereign; Victoria Day; Canada Day; the first Monday in September, designated Labour Day; Remembrance Day; any day appointed by proclamation to be observed as a day of general prayer or mourning, or day of public rejoicing or thanksgiving; and any of the following additional days, namely—

And it outlines a couple of the additional days. As we can see from my brief reading of this bill—if I had read a couple more sections I would have read the entire legislation into the record today—that very simply this Parliament could implement a measure to which, to be frank, we have given lip service over time. If Parliament were to act, I think we would be sending a clear message to all Canadians about how we view and see our cultural heritage. I am sure the offer of a general holiday in its basic sense would be well received by most Canadians.

What would be a better way to celebrate this country's cultural heritage? What would be a better way to celebrate in 1992 Canada's 125th birthday. I have received support from a number of organizations, such as the Canada Heritage Association, as well as a number of letters from people across the country, in Nova Scotia, British Columbia, and elsewhere who have written to offer their support for this bill. I am certainly gratified by their response and want them to know that we will be continuing the discussion and the debate. Perhaps we could start a petition campaign to ensure that Canadians from all across the country will urge this Parliament to develop as soon as possible a National Heritage Day.

In conclusion, I want to just call upon members for their support of this bill. I certainly hope for and urge the support of the government for this legislation. I would ask it to consider, if it does not see fit to support the bill at this time, that legislation be brought forward in a new session of Parliament, if that is what it is going to be, next year, and that it be a part of the celebrations in 1992 of Canada's 125th birthday. I think that way we have the opportunity obviously to do something good for Canadians, to show our respect for our cultural heritage and as well to be a part of the celebrations that we see coming up.

With that, I appreciate the opportunity here today to present this bill and, as I mentioned earlier in my speech, to let you know, Mr. Speaker, that in subsequent sessions of Parliament we will be bringing forward this legislation and we hope it will receive positive support from all members.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, to speak on this bill before us provides a welcome opportunity to comment on the meaning and the celebration of our heritage.

I first want to record my appreciation to our hon. friend and colleague, the member for Prince George—Bulkley Valley. The substance of Bill C-288, which he has introduced, is by no means new to the House of Commons, which he indicated in his remarks a few moments ago, but the concept reflects and helps to serve to represent an important and continuing effort to give Canadians the best kind of opportunity to celebrate our heritage.

It is more than 17 years since the idea was proposed by Heritage Canada. Since that time it has gained increasing recognition from parliamentarians, from agencies of the federal government, from provincial and local governments, voluntary societies and individuals in the community. Three years ago the then Secretary of State, the hon. David Crombie, called Heritage Day and I quote, "a uniquely Canadian occasion to celebrate both unity and diversity". In a 1987 booklet entitled "Proud to be Canadian" he observed and I quote again, "Canadians in fact have relatively few occasions when we can come together to celebrate our heritage. We certainly do so on Canada Day and with the recent proclamations of Environment Week and Citizenship Week by the federal government, there will be growing opportunities to understand the shared aspects of being Canadian".

We can acknowledge our heritage even without a holiday, much as we observe Mother's Day, and I keep encouraging my children to observe Mother's Day or Father's Day. My husband encourages Father's Day

celebrations and my children want to know when it is kid's day. Every day is kid's day.

For 17 years Heritage Day has been observed in this manner, as Mother's Day and Father's Day. Historical societies and architectural conservationists, many among the volunteer societies hold special ceremonies and celebrations each February to mark Heritage Day. Some municipalities have proclaimed a day of celebration and teachers in schools have special projects for their classes to help their students to be more aware of their heritage especially in the community around them. These are all very laudable activities and we appreciate them, but still they only touch a small fraction of the population of Canada.

• (1720)

Our heritage must have a special place, a priority in our thoughts, words and activities. At no other time before now have we had an understanding and respect for our heritage that has been so important as we try in the 1990s and beyond to shape the future of Canada.

I know that respect for our diverse heritage does not simply depend on a heritage day holiday. Of course our great July 1 holiday celebrates our achievements of the nation. But a heritage day could also be very special. It could celebrate what we have achieved as people living and working together in this multicultural society. We could celebrate our potential as a people to build a better Canada for the future.

There is another simpler distinction between Canada Day and heritage day. I think this is important, having been a teacher, that Canada Day falls at a time when usually the schools are out, when there is a holiday. So the celebration for Canada Day has to be done within the school before Canada Day even takes place. That has been a difficulty for us, to have that renewed spirit of the actual day of celebration. It falls outside the traditional school year. It is important that we celebrate a heritage day that would be within the school year.

Our heritage is indeed important to us all and the schools can play a very important part in encouraging, understanding and having enthusiasm for our cultural heritage. A heritage day during the winter could really receive great momentum from the classrooms across the country. With school resources, such an excellent shared objective would be shared by our younger generation. They would understand our heritage as no generation before has done.

Those who believe that it is reasonable for Canada to celebrate national holidays comparable in number to other countries have suggested individuals who might be honoured on a heritage day. Of course this has been suggested, and notable among those persons, would be Sir John A. Macdonald. I am sure that all of us would be pleased to toast Sir John for his foresight and fortitude in bringing together the provinces to form our great Confederation of Canada.

His birth date is January 11. Perhaps not the day of the year that would be the most agreeable to have as a holiday, but indeed that would be an option also. It has been a long tradition to celebrate the birthday of the monarch in May, and that is celebrated in May no matter when the birthday of the monarch is.

Sir John A. Macdonald's birthday could then be celebrated annually at a date to be chosen. Why not roll this into a celebration of a heritage day of itself? Heritage day could permit great flexibility to the communities, to organizations or to individual citizens in what they may celebrate. The birthday of our first Prime Minister, I believe, is a great and excellent subject for celebration.

Many valuable suggestions have been made on what we should celebrate as a national heritage day. Heritage Canada has leaned to the celebration of our fine old buildings, our great accomplishments in architecture. One cannot really quarrel with such an objective for our built-in environment, as we now call it, is a major factor in the quality of life that we lead.

Celebrating surviving achievements of the past is a step to protecting the best of the past and to give future generations a better future.

As I noted before, there is nothing exclusive about celebrating a heritage day. We could give specific time to achieving a greater understanding of the contributions of aboriginal peoples. A heritage day could also cast new light on the need for national unity.

One intriguing suggestion would have a central theme proposed annually for each year of celebration. That theme would naturally attract a great deal of special attention from the media but would also exclude other kinds of community or individual celebrations as well. Let us not overlook the opportunity that a heritage day

could give for special local events in our own constituencies.

I have underlined many opportunities for celebrating our heritage. As Canadians we truly have many reasons to celebrate in this beautiful and bountiful land.

Therefore I close by again thanking the hon. member for presenting to us this renewed opportunity to consider the best manner in which to set aside a time for celebrating our national heritage and I salute him for having this opportunity for us to discuss it.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, first let me commend the hon. member on his excellent initiative in introducing his Private Members' Bill, C-288, concerning heritage day.

Also I would like to take this opportunity to thank the speaker before me, the member on the government side for her wonderful words of appreciation of Canada and her appreciation for a day when Canadians can celebrate their heritage.

Mr. Speaker, if you were to ask me where I would like most to live in all the countries around the world, I would answer very quickly "Canada". Why? As someone who has a heritage other than those who have founded this nation, I have come to the conclusion that this is the land of opportunity.

Canada is where I was given everything that I have: my education, my first job, and the opportunity to bring members of my family together. As well, we have freedom of speech and expression, the freedom to say whatever I would like as an individual without fear of someone watching me from behind, or undermining everything I say.

In a way, Canada to me is a heaven on earth. I am sure it is the same for a lot of people who live in this country, especially those who come from a background other than the founding people. They knew it then and that is why they chose it as a land to settle in.

Mr. Speaker, I have yet to see a bill that has been introduced in the House where there has been so much consensus around it. As the member who introduced this bill has indicated, there has been discussion on this issue as far back as 1974 when it was discussed on October 15.

Also, on March 18, 1975, the then member for Winnipeg North brought up the issue. On April 10, 1975, there was a report from the Standing Committee on Justice and Legal Affairs where this issue was also discussed. Discussions took place on April 22, 1975, February 13, 1976, and October 31, 1977.

On March 17, 1978, the then Liberal member for Windsor—Walkerville, Mr. MacGuigan, the member for Hillsborough, as well as the member for Winnipeg North Centre, representatives of the three political parties in this House, spoke in favour of a heritage day.

As the hon. member has indicated, on May, 1980, the member for Notre-Dame-de-Grâce spoke on the issue. On September 4, 1983, November 2, 1983, May 15, 1984, February 16, 1987, April 7, 1987 and December 18. Throughout these many years, there has been a discussion back and forth on the issue of Heritage Day.

• (1730)

We already recognize one day in February as Heritage Day. On that day, as the member who spoke before me indicated, the minister of the government who is responsible for multiculturalism makes a statement. There are other celebrations in other parts of the country.

Only in the province of Alberta do they actually celebrate a heritage day and look at it as a holiday. That is every first Monday in August.

I truly believe that recognizing this Heritage Day is a step forward. There is no question about it, but there are those who are opposed to declaring Heritage Day as a holiday because of the fact that we might lose one day of activity. I suggest that it is the opposite. I think productivity would improve if we had a day of rest in February, when we can reflect on what we have here in Canada as a country, when we can celebrate our differences as a people and when we can appreciate what has been given to us by this land and by this society as a whole.

I have done a little bit of research in order to discover productivity what happens around the world and if we are alone in trying to celebrate a heritage day in February.

In February, Mr. Speaker, for your information and for the information of the House, several nations celebrate their independence, constitution, or their founding. For instance, Sri Lanka celebrates Independence Day in February. Mexico has what it calls Constitution Day. Tanzania celebrates its founding. In Iran, they have a national day. Japan also celebrates its founding, and the

United States of America celebrates George Washington's birthday. Cyprus, Bolivia, Burma, Guyana, and the Dominican Republic all celebrate a day in February, either in recognition of their independence, as a way to celebrate the founding of those countries, or as a way to celebrate their heritage.

In my view, we are not alone in trying to set aside a day in February in order to celebrate our heritage and in order to appreciate what we have around us.

I stand before this House to say that we, in the Liberal Party, in the 1988 election pledged that, if we formed the government, we would make sure a day in February was set aside as a national holiday. We are on the record in support of Canadians taking a day of rest in order to reflect on what Canada is all about and the fact that here in Canada you can be anything you want to be, Mr. Speaker, providing you appreciate the fact that we live in one of the best countries in the land. That is what Canada is all about.

I am not going to spend a lot of time trying to talk about the pros of it, because, as I indicated, there is an agreement on this issue from all sides of the House. It is my hope that the legislation will be adopted by the government, that we can move forward to enact this legislation into law, and that we can get on with it.

[*Translation*]

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, I welcome this opportunity to take part in the debate today on second reading of Bill C-288, an Act respecting National Heritage Day, and especially, Mr. Speaker, because this proposal may have a major impact on Canadians as a whole.

As citizens of this country, we have a right to be proud of our historical and cultural heritage and the major contribution made by men and women who, over the years, helped to make this country what it is today. We also have a right to be proud of our origins, our language and our family and religious traditions. Together, these values reflect not only our ties with the past but also our admiration for those who made that past.

Considering the profound changes taking place within our society, I believe it is imperative that governments and, in fact, each and everyone of us, make a conscious effort to preserve our history and our cultural identity. In fact, many of the problems confronting our country today are caused by ignorance, carelessness and a lack of tolerance for the cultures of others.

Mr. Speaker, I don't think the question is whether Canadians should emphasize the wealth of their heritage but how we should go about it. For instance, if we support the underlying objectives of this bill, I think we must ask some very serious questions about the economic and social impact.

Adding another holiday at the national level would have a considerable impact on productivity. The ensuing loss of productivity would be about 0.4 per cent of our Gross National Product or about $2.56 billion. Considering the present state of the economy, it is something we should think twice about.

This amount does not, of course, include the additional funds required to promote this day across the country and any other funds the government will have to commit to related support activities. Briefly, creating a National Heritage Day, in addition to having a very serious economic impact, might seriously undermine the credibility of a government that, in a recession, is encouraging Canadian businesses to be more productive.

But there is more, Mr. Speaker. I must point out that the passage of Bill C-288 would not in any way commit the provincial governments any more than it commits employers whose businesses are not subject to the Canada Labour Code. This means that a meagre 8 per cent of the Canadian workforce would be able to take advantage of this measure and take the day off on this national heritage day.

In other words, initially, the measure would be unfair to the majority of the workforce. We must therefore consider whether this type of measure is reasonable.

The bill before the House today may create some confusion, because a number of provinces like Alberta and Quebec already have holidays whose themes are very similiar to that of a heritage day. I am referring here to Heritage Day, celebrated on the first Monday of August, and Family Day, celebrated on the third Monday of February in Alberta. Although Quebec does not have its own heritage holiday, the fact remains that "La Saint-Jean" is steeped in the love of our heritage.

• (1740)

Mr. Speaker, I am sure you will agree with me that a day set aside to celebrate our national heritage ought not to conflict with existing provincial holidays, let alone create confusion in the minds of Canadians.

Mr. Speaker, I admit it has become imperative for all Canadians, particularly younger generations, to identify more readily with their country and to stand proud. But the real question is to know how we should go about it. For example, is a national heritage day the ideal solution? To what extent would this kind of celebration make people more aware of the wealth of their history and heritage values generally?

I for one do not believe it is the best solution if we take into consideration the economic, social and political repercussions of such a measure. Nor do I believe it is the appropriate means to pull Canadians out of their lethargy.

I think we are deluding ourselves if we think that this kind of celebration would change the public's mentality and radically alter the perception Canadians have of their country and its institutions. As well, we ought not to entertain the suggestion that at the rate of a day a year we will manage to make our leaders, our corporate elite and our educators feel that they are closer to their country and its institutions.

Finally, let us be realistic and reject the notion that we can select a symbol—important though it may be—to rally our youths and all our fellow Canadians around history and teach them to appreciate the values and traditions they have inherited.

Because of their complexity and the high stakes involved, all problems in a society call for long-term solutions. In a nutshell, an illness which affects a whole generation commands a cure which is effective only on a similar scale, but that does not translate into outright rejection of necessary short-term measures if we are to avoid stagnation. That is to say that, in this case as in many others, there is no miracle solution.

Mr. Speaker, I think that the solution is to be found in a collective effort toward educating the upcoming generation. It is through the youths that we will be able to instill into the Canadians a greater pride for our traditions and heritage. It may be true that the population as a whole will only be too happy to have a day off in the middle of winter, but I doubt very much that the Canadians, who are notoriously practical-minded, will spend that day reflecting on the meaning of their heritage. The hon. member for Prince George—Bulkley Valley may wish it were not so, but you will agree with me, Mr. Speaker, that there is often a long way from dream to reality.

If Canada were to have its National Heritage Day, this decision would have to result from a consensus among the federal government, the provincial governments, the business leaders, the trade unions, the organizations devoted to the preservation of our heritage and the population. To accomplish that, we must endeavour to develop a true sense of heritage in the population and work together to build a social, economic and political climate conducive to the successful transmission of this message.

A National Heritage Day must result from the broad consultation of all concerned and its mechanics must be unequivocal. A National Heritage Day that would apply only to a minute part of the labour force would not deserve to be called national. To unilaterally pass Bill C-288 could jeopardize needlessly the achievement of this objective, by disregarding the concerns of other interested parties.

Mr. Speaker, while we support the general thrust of Bill C-288, we have serious reservations regarding the method contemplated and its possible consequences.

That being said, Mr. Speaker, this government is determined to do its best to give the preservation of our heritage priority status. The important steps that were taken earlier on this issue reflect clearly its willingness to act.

[*English*]

Mr. Doug Fee (Red Deer): Mr. Speaker, I am pleased to add my comments to the discussion on Bill C-288. I commend the previous speaker and all other hon. members who have spoken on this bill.

As I see it, the bill touches and really raises two questions. One is the importance of our heritage and our desire to recognize, appreciate and study what it is that makes Canada the great nation that we all know it to be. Second, it raises the question about the value of a statutory holiday, the impact that designating a day to celebrate our heritage would or could have on the feelings of Canadians toward our country. It requires us

to balance the positive impact that it could have with the very real impact on productivity and the cost to Canadian employers.

Previous speakers have alluded to the specific problems that exist in my province of Alberta. We celebrate Heritage Day in August and last year the provincial government designated a new holiday, ironically on the same day that this bill proposes for Heritage Day. It is called Family Day. Perhaps it is not too ironic because Canadians have long recognized that the period between Christmas and Easter coming, as it does, during the coldest, darkest and least productive period of the year, could be enhanced with a designated holiday.

While we are looking at what Heritage Day might mean in the life of Canada, we cannot ignore the economic aspect. A new holiday will cost every employer, including the government, every municipality, every hospital, and every business, not only overtime costs for essential services, but lost work time as well. We have to balance this with the value of the holiday, the value of it for morale and potential improvements in productivity that I am going to concede will be there. With the possible exception of, perhaps winter sports enthusiasts, most Canadians do suffer the winter doldrums and would probably like to have a February holiday, like Albertans.

The date aside, I have talked to people in my constituency about a new national holiday to mark Heritage Day. Most people, in fact almost all, agree with the need to recognize and celebrate our Canadian heritage. Most people like the idea of having another holiday but there are many who raised the fundamental concern that I mentioned earlier, and that is the cost of such a holiday. Some even equate it to a national self-indulgence and question whether we have to provide Canadians with a paid day off in order to have them appreciate being Canadian.

It is my strong personal feeling that this country cannot afford at this time to impose, and I use that word deliberately, Mr. Speaker, because even though Canadians say they would like a holiday, I am not aware of any great, ground swell of support or public demand for this proposed holiday. It is not the right time for us to impose on Canadians a new paid, national holiday.

Having said that, I want to add that there is merit in this bill. I think the hon. member for Prince George—Bulkley Valley has done the House a service in introducing Bill C-288. This is an important time in the life of Canada to be considering our heritage and to be discussing ways in which all Canadians can most productively consider it.

Heritage Canada first proposed Heritage Day some 17 years ago. I understand it consulted representatives of the Canadian tourist industry before suggesting a date for the holiday. The overwhelming response was in favour of the third Monday in February. They felt that that would encourage Canadian domestic travel at a normally low season; they felt that it would establish a market among people who lacked the time and money to travel abroad; they said it would also attract Americans to Canada for winter recreation and national celebrations. I question their conclusion in this case because my preference, when travelling, is to avoid holidays whenever possible.

Their conclusions also raise a question as to our ultimate objective. Are we trying to recognize heritage or encourage recreation? I think this is very basic to our debate. We all agree that it is a worthy thing to respect our heritage, but why do we need a holiday to do it? Could we not merely proclaim a special day?

• (1750)

As mentioned by previous speakers, we have done that now for about 16 years. There have been strenuous efforts by voluntary associations that have led to municipal proclamations honouring Heritage Day. There have been special events staged by groups of citizens and by government agencies here in the national capital. Environment Canada honours Heritage Day by, among other things, announcing the winners of its prestigious annual heritage awards. Some schools have even made Heritage Day a special event, with maximum student participation. Museums have special displays and concert halls stage special presentations.

This is good as far as it goes, but only a fraction of Canadians are touched by our unofficial Heritage Day. I believe that we could gain something very substantial for Canada with a Heritage Day for all Canadians.

We in this House are particularly aware of the trauma that Canadians have suffered in recent months with the hopes and disappointments of the Meech Lake Accord. We have seen too often a very emotional reaction to the news of the day. Now with the heartfelt wishes of this House behind them, a citizens' forum will soon be

touring this country to elicit views on our constitutional options. This direct involvement of the Canadian people was a sound course of action by our Prime Minister and a very wise course for the times. Yet, is not the real need of this country what I like to call a defence of Confederation? That does not imply an unchanged constitutional framework. We must change and adapt.

We must show our genius for compromise where and when it most matters, but we must enter discussion of change with a real perspective. It would be fatal if our national dialogue consisted only in scoring debating points or indulging in put downs. Instead we should be examining what we have really accomplished together and how we did it.

What are our strengths that made this one of the most envied countries in the world? This is a defence in depth. This is the real preparation for a sound change in the future. How do we accomplish this? We invite our fellow Canadians by one means and another to use the past as a learning tool for the future, and the past does not mean dry history lessons. It means understanding our roots, the contributions of the many cultures who enriched our mosaic, the contributions of our native peoples, the differences that we can see between the way we run our country and our community and the way that others run theirs, all in a spirit of active and responsible citizenship. When we do this, we shall find mistakes that we have made, but the more we examine our common heritage the more likely we are to be impressed by the positive side of our story.

We shall better understand our accomplishments in creating unity, excellence and human satisfaction out of our cherished diversity. Are we asking too much of Heritage Day to do all this? A Heritage Day could be an ideal occasion to focus our thoughts in this way, but it must be for all Canadians. I have no doubt that all the people of Canada would respond and that the media would give great help by their attention to whatever theme or themes of heritage were to be uppermost in a given year.

A Heritage Day for all Canadians would be an ideal occasion because unlike Canada Day, it would come at a time when most of our young people are in school. They would be a very big part of the process of discovering and evaluating our heritage. Their teachers and we, as parents, would be anxious to help them, but I suspect it would be the young people who would be helping us by turning our minds down channels too long neglected.

I do not know exactly what these young people and the rest of us would do. Consciously or otherwise, we would be searching together for the meaning of heritage. We would be looking more at our roots and perhaps digging up unanswered questions about how we came to be what we are. I think we would get to know one another better and therefore become even more tolerant of those whose legacies and perhaps language are different. That too would be a healthy process.

Is it too late to begin the defence of Confederation? Anyone who believes it is too late portrays a tragic lack of confidence in our future. I have got confidence in the long-term survival of Canada and I believe that the time is always opportune for new means to build its future soundly. The time of national re-examination makes consideration of our heritage especially urgent now.

Perhaps what we are asking is nothing less than a change in the Canadian character. We seem to rejoice in our widespread reputation for modesty, caution and self-effacement. It is a false reputation. For modesty and caution did not build this country. But we and our forbears seem to think that it was rudely boastful to talk about the positive things we have done and are doing. That sort of modesty is a luxury we can ill afford today. We Canadians are still on a voyage of discovery together. We must understand better how we got here before we plot any future course. A heritage day for all Canadians could become one of the single simplest most effective means we could imagine to give our thoughts dimension and perspective.

Mr. Speaker, I want to thank my hon. colleague for presenting this bill. It is important for all Canadians to celebrate our heritage, but I cannot support the concept that designating another paid holiday is the best way to do so.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I note that there is but five minutes left today in this debate, which is unfortunate, because I would have liked to have spoken for a long period of time on this bill. There is a lot to say about the issue of promoting our national heritage and, of course, there is the whole debate that we should entertain as well of whether or not the best way of achieving that is indeed to establish an additional day of holiday.

[*Translation*]

As you would know, Mr. Speaker, we already have a fair number of rather special holidays. Of course I have in mind those we celebrate on July 1 and June 24. The latter might be designated as well, for it would be an important day for a good many of us, particularly in the electoral riding I represent.

But what matters today is that members be allowed to show where they stand. The House ought not to let this bill drop to the bottom of the list. I think that if the bill is struck from the Order Paper, that is if members keep going until 6 o'clock and thus manage to talk it out, as we say, it makes it that much easier for the government to avoid a vote on an issue which many members consider important.

[*English*]

I will now ask the House to vote immediately and if no Conservative member rises, that means the government has the courage to vote on this issue, either for or against it. If the bill is talked out, Canadians can conclude just what kind of courage this particular government has. We will find out in a few seconds.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am pleased to be able to stand up and talk to this bill in spite of what my friend and colleague from across the way from Glengarry—Prescott—Russell has said to challenge me.

In the course of my comments, I was intending to say a number of things relating to the very fine speech given by the member for Prince George—Bulkley Valley, but I would like to refer to one comment he made before I deal with the hon. member for Glengarry—Prescott—Russell.

I have a great deal of sympathy for the proposal that the hon. member has made, as have many of our colleagues over a number of years in the past made a similar proposal. The one thing that makes me want to hesitate has been alluded to by my friend from Red Deer. The one thing that makes me hesitate is this problem of productivity to which my hon. colleague opposite referred. If I could really be convinced in a day and age such as now when the last figures I saw indicated that our labour unit production costs are going up and we are now somewhat beyond the United States of America in that area and losing our competitive edge with them, this would not be an appropriate time to bring in such a new holiday.

If the hon. member can study the concept of the law of diminishing returns, I would be interested to know what a study would be on this. I would think that we must have enough enterprising management people in this country who, over the last number of years, decided that they should give their employees more and more holidays in order to make them more and more productive. If that is not the case, maybe we should know what the figures are in that regard.

Finally, Mr. Speaker—and I probably have half a minute left—my friend from Glengarry, Prescott—Russell made a reference to the importance of this bill and the concepts of heritage. I want to remind him that when I first came in here about 15 years or so ago, it was a member from the Liberal Party who chose to help deny some of our heritage when they brought in a bill to do away with Dominion Day. I have never forgotten that. I was in the House. It was a Friday afternoon. I was very disappointed because that, to me, represents a great deal of our heritage—

• (1800)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I regret to interrupt the hon. member, but the hour provided for the consideration of Private Members' Business has expired.

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Debate

CORRECTIONAL SERVICE CANADA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, recently I rose in the House to ask the President of the Treasury Board what steps will be taken to facilitate an early retirement and retraining package for front line correctional service employees.

These correctional service employees are responsible for the custody and control of offenders, who, in many cases, have become Canada's most hardened and dangerous citizens. My concern stems from the fact that these CSC staff work in an environment that is continually both stressful and perilous. It is urgent that the issue of early retirement and retraining be addressed.

In response to the question I asked the minister, he was good enough to indicate "soon". However, in fairness to these employees, they have been waiting for almost two decades.

I hope that the government will introduce this legislation now, or at least indicate that in the next session of Parliament and in the Speech from the Throne reforms will be made in addressing, once and for all, this long-awaited change.

In 1967, the Correctional Service of Canada was included under Part I of Schedule I of the Public Service Staff Relations Act. This acknowledges the Treasury Board as the employer with responsibility of all aspects of personnel administration.

Since 1971, the Union of the Solicitor General Employees, which represents the interests of the major portion of the CSC employees, has been attempting to secure some form of early retirement provisions for correctional employees.

The role of these employees is unique. As I mentioned before, the environment of corrections is dangerous and stressful, not only for the CSC staff but their families as well.

During the late seventies and early eighties, 11 staff members have been murdered in the line of duty. There have been numerous staff taken hostage as a means of negotiating various deals and countless physical assaults by violent inmates who have nothing to lose.

While there has not been a continuation of staff murder, this cannot be interpreted to mean that violence or the potential for violence is no longer present.

According to the report of the Solicitor General of Canada 1988–89, there were a total of 678 assaults on staff and 26 hostage takings for the period of 1984 to April 1989. The threat of violence is always present and requires staff to be constantly on their guard.

There were also 195 incidents involving the use of gas and 743 incidents involving the use of firearms during the same five year period. As well the murders, suicides and assaults which occur among the inmate population, though they do not physically harm the staff, produce severe psychological effects. No one can remain immune to the effects of seeing violent death.

Being constantly alert to possible violence and outthinking, the offender is wearing upon the correctional officer. Many employees spend a longer time in a penitentiary than the inmates they control.

In its report on penitentiaries in 1976, the parliamentary subcommittee said at section 258:

> The debilitating effects of penitentiary work is reflected in the low percentage of individuals who remain in the service until retirement. This may also reflect the lack of career opportunities and job diversification. Employees are concerned about the fact that once they are burnt-out, it is very difficult for them to start a second career in another field. The subcommittee is of the opinion that provision be made for them to find alternative employment if they are no longer able to function in the penitentiary environment but are not yet eligible for retirement. But early retirement itself is essential.

• (1805)

It is necessary to recognize the unique nature of corrections work. Changes should include two important areas. First, early retirement would permit those employees who have worked in direct contact with offenders for a significant part of their careers, 25 years or age 50, to retire and to receive an immediate earned pension at an earlier age and shorter service than is now possible.

The second necessary change concerns retraining provisions for employees who are unable to continue their work in the operational correction service. This proposal would assist employees in acquiring marketable skills which can be applied in a second career.

This change would allow for employees who are removed from their position and could not be placed in another position in the Public Service to be entitled to retraining for a period of up to two years.

The staff of the Correctional Service of Canada have had early retirement provisions foremost in their minds since 1971. They have seen their fellow Public Service employees who work as air traffic controllers successfully acquire the same provisions that they are seeking. All they ask is that their occupation be declared a unique one, therefore requiring unique retirement provisions.

Implementation of these proposals will require amendment to the regulations of the Public Service Superannuation Act. It is urgent that the question of an early retirement and retraining program be addressed for these employees and it is imperative that the suggested proposals be implemented.

Correctional Service employees play an integral role in the safeguarding of Canadian citizens. The federal riding of Hastings—Frontenac—Lennox and Addington which hosts institutions such as Joyceville and Millhaven, as well as Kingston institutions, have a high number of people with serious conviction. Thus I am hopeful that the government will facilitate this request for such a package and repay the CSC staff's vital role to society.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by acknowledging on behalf of the President of the Treasury Board the important contribution made by the member for Hastings—Frontenac—Lennox and Addington on behalf of correctional service workers, not only in his own constituency but across Canada.

The government recognizes and appreciates the stressful work performed by operational employees of the Correctional Service of Canada. This stressful work carried out under very difficult and sometimes dangerous circumstances can result in serious burn-out as a result of the stress and burn-out factor. This results in the conclusion that it is essential to disregard the normal age of retirement for public servants.

This issue was studied by a parliamentary subcommittee of the Standing Committee on Justice and Legal Affairs which recommended that special early retirement arrangements would be appropriate as one means of dealing with the job related stress engendered by corrections work.

The government agrees in principle that an early retirement program would be an important tool in the prudent management of its valuable human resources engaged in correction work.

Similar conditions of job related stress and burn-out led to the introduction in 1981 of early retirement provisions for air traffic controllers. The primary thrust of the amendments that were made to the Public Service Superannuation Act at that time was to permit air traffic controllers engaged in operational service to retire with full earned pensions at reduced age and service thresholds without incurring the reductions which normally are applied under the Superannuation Act.

An air traffic controller who has 25 years of operational service and is at least 50 years of age may retire voluntarily with his or her full earned pension, a 50 per cent pension based on 2 per cent per year service, and will not be subject to the normal retirement reductions which would be applied to other public servants retiring under similar circumstances.

In addition, with as little as 20 years of operational service, an air traffic controller who is at least 45 years of age may retire with an immediate annuity but in such case would suffer reduction in his or her earned pension of up to 25 per cent. This is a major difference in comparison to other public servants.

• (1810)

In further recognition of the stress factor, the rules are even less restrictive for voluntary retirements requiring only 20 years of operational service with no minimum age requirement. I should add that in return for all of these more generous retirement arrangements, controllers engaged in operational services are required to contribute an additional 2 per cent of salary to the pension plan.

I have gone into some detail regarding the early retirement benefits presently available to air traffic controllers because it has been proposed by the representatives of correctional employees that an identical program be made available to those correctional workers who are engaged in operational services. It may well be that early retirement arrangements for correctional employees will be similar, although there may be variations to reflect the particular characteristics of this group.

Finally, I should add on behalf of the President of the Treasury Board that in view of the government's overall legislative agenda the preferred approach to Public Service pension reform is to proceed with it as a package. I do wish to assure members of this House that the hon. President of the Treasury Board has indicated to me that work is proceeding well on pension reform. It is probable that the legislative proposals will be ready for introduction early in the new year. I assume that is good news to my colleague, the hon. member, and to those whom he represents.

Included in those proposals will be appropriate enabling provisions to put in place a program which will address the particular retirement concerns of correctional employees. I know that they will welcome that news.

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, on November 2, I rose in this House to ask a very important question about the state of our forest agreements that have gone unsigned, particularly in British Columbia, my home province, and in the other three western provinces.

Last week, when Parliament was not sitting, we learned that the federal government had reneged on promises to guarantee adequate funding for a forest agreement. We also learned last week that this government was only going to be able to contribute some $100 million to a forest agreement, which is less than the agreement that expired on March 31 of this year. We have yet to hear what are the results of those forest agreements in the other provinces where they have expired.

I am angry. I do not want to understate it because I think it represents some of the attitudes and views of people in British Columbia who frankly are furious over this government's refusal to get on with the job of signing any of these forest agreements.

These agreements are the foundation of the federal effort in forestry, which gives us the vehicle to talk to the provinces and to work with our forests. One just has to take a look at some of the recommendations from an earlier forest committee report which we tabled that are now rendered useless because of this government's failure to renew and deal with these agreements. I am referring to the recommendation which I strongly support about the protection of 12 per cent of Canada's forest lands. How can we do that without support from the federal government?

That is now a rejection. We now have to reject that report, because we have to send a strong message to this government about how serious we are about the needs of our forests.

What can we do, with some of the recommendations about forest management on National Defence lands and those forest lands administered by and with the Indian people of this country? Without those forest agreements and those abilities to use those funds and resources, the ability of the federal government to participate and share is gone.

Those recommendations, as I said, will also have to be rejected because they will not be doing the job. I am emphasizing this because I have put my soul into talking about these forest agreements since being elected. I have reason to.

In my part of British Columbia, 40 per cent of the NSR land that has been left from harvesting has to be addressed by these agreements. If we had these agreements, they would make a contribution toward adding to our annual cut. They are not in the plans, projections and recommendations of the forest committee report.

I now feel that we have been let down by this government and by members on the opposite side, to the point that when we want to send a strong message to this government we now have to do that. We have to reject these recommendations.

• (1815)

They will not work, especially in the case that I have presented. We have relied on these forest agreements to see that we have Indian lands available to Indian people to harvest and to manage properly.

Forestry Canada has to work with some of the other departments like Parks Canada and others to efficiently manage our forests. We must reject those ideas now, because we cannot implement them in an adequate manner because of the lack of these agreements.

I say to you, Mr. Speaker, just how important those have become. I said in the House earlier today that some 100,000 jobs in British Columbia are likely to be lost due to the lack of these forest agreements being signed. Forestry Canada cannot operate because of the lack of

these agreements to properly deal with any international forestry concerns and other areas.

I say with great respect to you, Mr. Speaker, that in discussing this with my constituents, with others, that we have to send a strong and determined message to the government and to this House about how we feel, about how useless those recommendations have become in light of the lack of any forest agreements. I want to send a strong message that we must withdraw our support of those recommendations in that report because we cannot implement them.

We cannot do proper forestry work with those recommendations without any forest agreement signed. I hope the government hears that message clearly, about how important I feel and believe those agreements are, and how strongly I feel the need to withdraw my support for that forest committee report.

We cannot get the job done if this is the way we are going to continue. I say to the government, get on with it. Let us sign those forest agreements.

I hope the government is listening and that we will not have to come back to any more of these late shows in the future and hear more and more words with no action.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, I listened to the hon. member's comments with a great deal of amazement, and now he is leaving us, which goes to show how important this is to him.

I was in Kamloops last weekend, where I met members of the British Columbia association of wood producers. People told me, at least those I spoke to, that the Minister of Forestry, Mr. Oberle, was doing an excellent job at the forestry level.

These people know what amounts are on the table, but they also realize that forests, contrary to what the hon. member for the New Democratic Party says—they know that forests, being a natural resource, are a provincial responsibility. They also know, Mr. Speaker, that the federal government does not intend to act unilaterally, which might further harm relations between the federal government and the provinces.

We recognize the jurisdictions of each administrative body, but what we want to do through these agreements is, first and foremost, to give the forestry community in British Columbia, the western provinces, Ontario, Quebec and the Maritimes a chance to benefit under a forest resources development program that is adapted to their needs and also, Mr. Speaker, in line with sustainable development as proposed and maintained since 1984 by our various Forestry ministers.

I also may remind the hon. member, since he seems to be saying that the federal government and its minister have done nothing, that from 1984 to 1990, we increased the forestry budget by over 300 per cent. In 1988, Mr. Speaker, we again started to sign agreements with various provinces. I am thinking, for instance, of the agreements with New Brunswick and Nova Scotia. We made proposals to all Canadian provinces. There is a concrete proposal on the table for each province, and it was put there by Forestry Canada.

Contrary to what my colleague from the New Democratic Party is claiming, I believe the Minister of Forestry Canada has done an exceptional job by above all respecting the jurisdictions of each province. Furthermore, as the minister in charge of the Department of Forestry, he is trying to find ways to give our resource a durable future, and with the means at his disposal, to give our forest producers, our businesses and in fact all Canadians, the means to develop viable forestry operations in Quebec and Canada.

• (1820)

[*English*]

NATIONAL DEFENCE

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to address myself this evening to the cost of operations in the Persian Gulf by the Canadian forces.

At the outset, I would like to remark on what I see as a great opportunity and a challenge in the building of a new world order in this operation, made possible by the remarkable and unique unanimity of the United Nations and, indeed, by the unanimity of the Security Council. It is safe to say that is made possible by the demise of the cold war seen at the beginning of this week.

What we are seeing is a bunch of like-minded countries making peace by quarantining the source of the infection and, in this case, by imposing an embargo against one country that invaded, pillaged, and claimed ownership of another country. In our world today, that is considered unacceptable.

Before I get into the cost issue, I would like to recognize the tremendous contributions made by the Canadian forces. It is not a token effort. It is a very strong effort. As you are aware, Mr. Speaker, there are almost a half a million troops in the Middle East. There are over 100 ships and a countless number of different types of aircraft: fighter aircraft, ground attack aircraft, carrier aircraft, land based aircraft, you name it.

Canada has sent three ships, a handful of airplanes, and 1,700 young men and women. To this date, we are responsible for 25 per cent of the interceptions of surface ships going through the Persian Gulf. That is the crux of the embargo—25 per cent. We are dealing with well over 500 interceptions at this point in time, but I do not know the exact number. So, I want to presage any comments that I have on cost, which is a concern of mine, with the overview of my feeling on what is happening there with respect to the Canadian forces.

I bring up the subject of cost because I think it is having somewhat of a negative effect. We committed the Canadian Forces three months ago. Now, three months later, we are having a great discussion on how we are going to pay for this operation. This all stemmed, of course, from a question I asked the Minister of National Defence on October 22, and I just want to relate some of the chronology.

I asked the minister how he was going to pay for this operation and he suggested to me that, at that point in time, it was going to come out of DND's hide. They would pay for it themselves. I was somewhat distraught to hear that because, as I will say later, I am aware that after severe cuts Canadian Forces is on the verge of rust-out. They do not have much fat left in the system. In fact, they have no fat.

On November 11, three weeks later, I was delighted, and I am sure the Canadian forces planners were delighted, to hear the Prime Minister say that he was going to damn the torpedoes and go full speed ahead, because money was no problem. He said the deficit had nothing to do with freedom.

The relief of senior DND planners must have been great when he said that there was going to be substantial additional funding. My heart rose. I felt happy. Alas, three days later, somebody must have got to the Prime Minister, and said: "Prime Minister, you cannot go around saying that. Money doesn't grow on trees". Then the Prime Minister drew back, and he said: "No, no. We are now going to pay for it from existing expenditures and that the hat would be passed around to other government departments and they would finance the defence of freedom".

My point here is that when the government commits Canadian forces to an operation such as this one in the Gulf, there goes with it other corresponding commitments. For example, how many, how long, how much, what sort of command and control, what is the bottom line for withdrawal, follow on long-term commitments, and so on.

I am not convinced, with the perturbations and the confusions we have had with funding, that it augurs well for the future with respect to some of these questions.

Will the embargoes work? Well, we do not know. It could take up to a year from now to find out if it is going to work.

There is no question about it, it is going to be costly for all the countries involved. But if we do not achieve it peacefully, it is going to be even more costly. We are looking at both sides, 300,000 casualties and anywhere from $50 billion to $150 billion. That is horrendous. I am concerned about the cost and the follow-up in this particular presentation.

• (1825)

With the state of affairs now, no matter what happens or how it happens, it has to end with Saddam Hussein getting out of Kuwait. What happens when he gets out? Do we fold our tents and go home? I think not. We have got to think through this thing, very systematically and very logically.

These are parts of the questions that I have and, specifically, I have a number of concerns. First, when the parliamentary secretary addresses my presentation on behalf of the Minister of National Defence, I want assurances that the Canadian forces gulf operation will not suffer from this fuzzy funding formula.

I am relatively assured that that will not happen, but, moreover, I want further assurance that the remainder of the Canadian forces, already on the verge of rust-out, will not be stretched beyond reasonable limits in the maintenance of combat readiness. That is more important now than it has been any time in 37 years, in my opinion. In particular, I would like to hear guarantees that the Canadian forces capital acquisition budget will not be tapped to help finance this operation, because there is a tomorrow and we have to be ready then, too.

More than anything else—and this is the underlying theme of my presentation this evening—this side of the House does not want to learn that the government is unwittingly laying more responsibility on the Canadian forces but giving them fewer resources over all to do the job. That would be a prescription for disaster. The Canadian forces will always have a can-do attitude, but I hope that they do not have to have that kind of can-do attitude until they just cannot do.

Finally, in the face of this discussion matter and, indeed, in view of the awesome defence cuts in conventional arms on both sides earlier this week, it is not unreasonable for Canadians now to expect to have some public input into what surely must be at least some defence policy strawman in preparation for a badly needed defence white paper.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first of all, I would like to thank and congratulate my colleague from Bonavista—Trinity—Conception for the good words he had to say about the great job our Armed Forces are doing in the Gulf. I am just back from the Gulf. I was there last week and I had the opportunity to meet the Army, Navy and Air Force people who were sent there.

About the figures he quoted, he said that 25 per cent of intercepts were made by Canadians. I had 23 per cent, but we could always arrive to a compromise. What is more interesting to know, though, is that that much is done with less than 3 per cent of all the equipment presently deployed in the Gulf area. With only 3 per cent of the equipment, the Canadian Forces make 23 to 25 per cent of all intercepts. They are really doing a great job.

[*English*]

To come back to the question of my hon. colleague, I would like to reiterate the response given him when he asked this question in the House on October 22. At that time he was given an assurance that the men and women serving on behalf of Canada in the Persian Gulf are being provided with the resources they require to fulfil their mission. This situation has not changed.

I am sure all members will appreciate that the Persian Gulf crisis was not anticipated and, therefore, we had not made provision for such an operation in our defence budget for the current year. Therefore, the costs of the operation were being covered from the existing budget.

The Prime Minister has announced that Supplementary Estimates will be tabled in the House shortly by the President of the Treasury Board in light of our commitment to support our contingent in the Persian Gulf and as a result of additional unanticipated expenses related to the army being called out in aid of the civil power in Oka. Cost information for the Persian Gulf and Oka will be provided once the estimates have been made public.

There has been a considerable amount of speculation in the media on the cost of the Canadian forces participation both in aid of the civil power at Oka and in the Persian Gulf operation. Until such time as the Supplementary Estimates are tabled, it would be inappropriate to comment further on this issue. I am sure that the hon. member would not wish to fuel further speculation.

The forces in the Persian Gulf have had priority in terms of funding from different allocations. That means that, as far as current defence spending programs go, some effects were felt, even before additional funding was sought.

For example, in the operations and maintenance portion of the defence budget, activities not directly related to the gulf operation have been given a lower priority. Certain exercises have been cancelled. Allotted flying hours and ship days have been transferred from other activities to the Canadian forces in the gulf and some new defence contracts may have been delayed.

However, I would like to assure the House that no existing capital equipment contracts have been cancelled or changed as a result of the gulf operation.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the house is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Wednesday, November 21, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

THE BEAUCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, it seems that more and more Canadians are concerned about their future. I want to say to them that our best assurance of a prosperous future is to have confidence in ourselves and in our ability to build a better world. Optimism is the best policy, Mr. Speaker. Conversely, fear and dread attract disaster. In the Beauce region, there are many examples that bear out that all problems can be overcome with hope and self-confidence.

Although the Beauce region is far removed from our large urban centres and major highways, from airports and sea ports, its residents have astounded more than one pessimist by making the Beauce one of the most dynamic regions in this country, all because we believe in our potential and our ability to do better.

Mr. Speaker, I wish Canadians would ignore these prophets of gloom and doom. With a positive outlook on the future we can create a healthy, dynamic environment.

* * *

[*English*]

GOVERNMENT OF ONTARIO

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, yesterday Ontarians listened with anticipation to the throne speech by the newly elected New Democratic Party government in Ontario. They waited to hear if Premier Rae would keep all those election promises that he made. The public has not forgotten those NDP negative campaign ads filled with false information, which ended with a big *x* on the TV screen.

Now, Premier Rae, it is time to move to the next letter of the alphabet, the letter *i*. Why didn't you deal with your campaign promise to fund 60 per cent of elementary education costs? Why didn't you deal with your promise about the 10.5 per cent mortgage financing you were offering for home purchases? Why didn't you follow up on your promise to protect Ontario's agricultural land base from indiscriminate development? Why didn't you follow up on your rhetoric on waste management and the plan to put a garbage dump in the Rouge Valley?

Now, the last letter of the alphabet, *z*. That is the mark I give to the NDP in Ontario for a vacuous and disappointing throne speech.

* * *

BILL C-45

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, for four and a half years this Conservative government and the Ministry of Labour have demonstrated their contempt for the health and safety of our parliamentary employees and contempt for Parliament itself.

In June 1986 Parliament passed Bill C-45, the Parliamentary Employment and Staff Relations Act, which applied the key provisions of the Canada Labour Code to Parliament Hill workers. Part I of the act was proclaimed that same year, but Part II, Labour Standards, and Part III, Occupational Health and Safety, have never been proclaimed.

Because of the government's failure to act on this expressed wish of Parliament, our workers on the Hill, unlike all other private and public sector workers in the federal domain, do not have the right to refuse work which may be dangerous to their health; do not have the right to require a government inspector to investigate the many health and safety problems in our work place; and do not have the right to have work place health and safety committees monitor their working environment.

This morning a number of these employees and their unions demonstrated before the Peace Tower to express their grievances regarding widespread asbestos contamination and air quality hazards.

I plead with the government to provide for due process, to end the double standard and end its contempt for Parliament and its employees. Proclaim Parts II and III now.

* * *

BILL C-210

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, Bill C-210, a private member's bill to shorten the extradition process, is coming up for its second hour of debate on December 6. It will die on the Order Paper, unless it is referred to a committee and brought back before the House rises at Christmas.

Members of the NDP are blocking this bill because they are concerned more with the welfare of criminals than with the rights of Canadians. The NDP wants the taxpayers of Canada to continue to pay millions of dollars to help people like Charles Ng, people who abuse our criminal justice system. The NDP is inviting criminals to take refuge in Canada. This must stop.

We can pass this bill. The minister and the Department of Justice want this bill made into law. I condemn members of the NDP for stalling and call upon them to help pass this legislation.

* * *

NEW DEMOCRATIC PARTY

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, yesterday the NDP member for Chambly appeared before the Belanger-Campeau commission, but we still do not know the NDP position on Quebec.

The member for Chambly says different things at different times. At one time he said that Quebec was a viable nation state; another time that he was a sovereignist. Another time he said that sovereignty association was a strict minimum.

What is the NDP policy with respect to Quebec? Is it the policy of Louise O'Niell, its candidate in the Sainte Marie by-election who also declared herself a sovereignist? Or, is it the policy of the present leader from the Yukon who opposed at the same time the Meech Accord, her former leader from Oshawa and the present premier of Ontario, all of whom supported it?

It seems that the NDP has three policies on Quebec: one for the west, one for Ontario, and one for Quebec. When will the NDP tell us the truth? What is its real policy on Quebec?

* * *

GOVERNOR GENERAL

Mr. Stan Wilbee (Delta): Mr. Speaker, the Governor General has received a lot of unjustified criticism for not being in Ottawa for Remembrance Day.

I had the privilege of being with him in Japan where he officiated at three ceremonies on that day.

The first honoured those men of the Winnipeg Grenadiers and the Royal Rifles of Montreal who died in Japan after being captured at Hong Kong.

The second honoured those Canadian servicemen who gave their lives in the Korean conflict.

The third ceremony honoured all the Commonwealth veterans who gave their lives in the Pacific theatre. This was attended by Prince Charles and Princess Diana and many other heads of state. Canada was responsible for this ceremony. Two Canadian Victoria Cross winners accompanied the Governor General.

Rather than insulting Canadian veterans, I believe he truly honoured them.

* * *

HOUSING

Mr. Mike Breaugh (Oshawa): Mr. Speaker, the Co-op Housing Federation of Canada has issued its assessment of this government's performance on co-op housing. It seems the government knows how to talk about co-op housing but is having some difficulty in delivering.

In its mid-term report card the Co-op Housing Federation noted that no new units were sponsored in Saskatchewan in 1989, only 43 were sponsored in Nova Scotia and that amount will drop to 6 this year.

So far not a single new co-op housing project has been developed on federally owned land, even though the Prime Minister himself made that a priority in the last election campaign.

In the meantime, other Toronto area sites, including parts of Malvern and Vaughan, have been sold off to private developers at market prices. Land on two federally owned sites in Vancouver has been promised but not yet delivered.

It seems that this government is doing all right in terms of verbal skills. It is having trouble in the sandbox. It cannot seem to get anything built.

* * *

• (1410)

GOVERNMENT OF ONTARIO

Mr. John Nunziata (York South—Weston): Mr. Speaker, more on NDP hypocrisy. Back-flip Bob Rae scored a perfect 10 yesterday by performing a number of flawless flip-flop moves during Ontario's throne speech.

Believable Bob made myriad campaign promises to Ontario residents during the election campaign, promises such as 10,000 non-profit day care spaces along with subsidies for 10,000 families. He promised to expand community based health care and improve conditions for health care workers. He also campaigned on promises to increase the province's share of education.

What did Ontario get after voting for Reversal Rae and his promises? Nothing, except a lesson on the techniques of avoidance and flip flopping on important issues.

Whatever happened to the NDP promise of a tax for non-recyclable packaging? Where is the fund for low interest loans to home buyers, farmers, and small businesses, or the promise of strict rent controls?

For that matter, whatever happened to the self-proclaimed saviour of the little guy? The NDP abandoned all principles in its rush for power.

* * *

[*Translation*]

NATIONAL DAY OF ACTION AGAINST RACISM

Mr. Jacques Vien (Laurentides): Mr. Speaker, I would like to draw the attention of the House to an initiative taken by college and university students.

S. O. 31

The Canadian Federation of Students has designated November 21 as a National Day of Action against Racism. This initiative reflects a firm resolve to counter the devastating effects of racism at all levels.

The students' action will continue beyond November 21, as students are encouraged to make the fight against racism a cause to support and defend, both within and outside the academic community.

I may also point out that this initiative is an admirable adjunct to the International Day for the Elimination of Racial Discrimination held on March 21 this year.

I therefore ask all members to support the students and show that they stand behind this initiative to eliminate the problem of racism in our society.

* * *

[*English*]

ITALIAN CANADIANS

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, the recent apology for the internment of hundreds of Italian Canadians during World War II was long overdue.

During the war, many Canadians of Italian origin fought and died for Canada. Ironically, some Italian Canadians were fighting for Canada even when their loved ones were interned as enemy aliens.

To add insult to injury, no internee was ever proven to have done anything to undermine this country. They were Canadians. They came to Canada because they knew this country offered freedom and hope.

The Liberal Party welcomes the recent apology to Canadians of Italian origin because it is a step toward easing the pain our fellow countrymen felt.

The Canada of today truly regrets having inflicted so much pain and suffering on innocent Canadians. As a country, we must learn from our mistakes and ensure that this will never, ever happen again.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Guy Ricard (Laval West): Mr. Speaker, on the weekend it was reported that the Canadian Broadcasting Corporation had announced a budget cut of $900,000 in the news department of the French network. The English network's budget remains intact. Why are Francophones once again being deprived in this respect? Hon.

members will recall that some time ago, the CRTC postponed until February its decision on a 24-hour news channel in French, while the English news channel is broadcasting, even in Quebec.

Why are Francophones obliged to pay cable tv companies for a service they cannot receive in their own language? Are there two classes of Canadians? Does the minister intend to clean up the mess at the Canadian Broadcasting Corporation and the CRTC?

* * *

NATIONAL DRUG AWARENESS WEEK

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, drug prevention agencies have designated the week of November 18 to November 24 as National Drug Awareness Week. Its purpose is to focus attention on the need to deal with the devastating problem of addiction to dangerous substances. Drug Awareness Week and the themes it uses generally focus on alcohol as the drug most often abused in this country.

Using the theme "Keep the circle strong", and with the co-operation of Amerindian and Inuit leaders and band chiefs from across Canada, about 750 native communities and groups will take part in various activities co-ordinated this year by the Nechi Institute of Alcohol and Drug Education in Edmonton.

Canada's anti-drug strategy is based on the premise that all Canadians have a role to play in the struggle to reduce and prevent the disastrous impact of alcohol and other drugs.

The Minister of National Health and Welfare wishes to congratulate native and non-native communities on their enthusiastic support for this event.

* * *

MARITAL VIOLENCE

Mrs. Pierrette Venne (Saint-Hubert): Recently, Mr. Speaker, Quebec's Fédération des ressources d'hébergement, supported by the Chambre des notaires du Québec, launched a $240,000 publicity campaign to make the people of Quebec aware of the marital violence problem. The theme of the campaign is "Violence breeds violence, let's act now!", and the whole exercise is aimed at today's children who might turn out to be tomorrow's aggressors.

Mr. Speaker, this publicity campaign is designed to encourage friends and neighbours to intervene in cases of marital violence so that the woman will no longer suffer alone, and it would have been an uncertain undertaking had Quebec notaries not pledged their financial support.

As a member of that profession I want to commend the Chambre des notaires and the Fédération for this joint initiative. I hope that other interest groups will take similar action to help eradicate this scourge from our society.

* * *

[*English*]

NORTH AMERICAN DAY OF ACTION AGAINST RACISM

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, sadly, today is the North American Day of Action against Racism, which is sponsored by the Canadian Federation of Students and Young New Democrats in collaboration with some United States student organizations.

I say this is sad because this day should not be necessary. But it is because racism continues.

At the University of Western Ontario, Philippe Rushton teaches his students that human beings are unequal; skinheads and Nazis have held rallies in Ontario and Quebec; a black student was beaten by white students at a Nova Scotia community college.

New right policies have not helped. They have stoked the fires of insecurity from which racism flares. When people are set at each other's throats by dog-eat-dog economics, the blame is too often directed not at the truly culpable who seem oblivious to their cries, but at convenient scapegoats who are equally their victims.

Take action today against the new right policies that, by dividing Canadians, exacerbate intolerance. Defeat the present government when the non-confidence vote is held this afternoon. Put Canada back on the path to social democracy.

ORAL QUESTION PERIOD

[*Translation*]

GREAT WHALE PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the Great Whale project.

Yesterday the minister told the House that work on the infrastructures will not begin before a complete environmental assessment of the whole project has been made. On his way out of the House, however, he flipped and flopped and made an about-turn when he stated that the road could be built before the completion of environmental studies on the entire project. So my question is: Who is telling the truth? The Minister of the Environment inside the House or the Minister of the Environment outside the House. Who is telling the truth? The Minister of the Environment last week or the Minister of the Environment today? Who, Mr. Speaker, is telling the truth? The Minister of the Environment this morning or the Minister of the Environment this afternoon?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I should like to respond to my colleague by quoting from yesterday's *Hansard*, for that might refresh his memory concerning what I said. This is what I said yesterday, as recorded in *Hansard* on page 15467:

> Mr. Speaker, I would have liked the hon. member opposite to read a few more paragraphs from the letter, because at the beginning of this letter, Mr. Robinson explained very clearly, and I quote:
>
> "The federal environmental assessment and review process, a federal resource for environmental assessment and review, applies to the Great Whale complex since it is expected to have an impact in areas that fall under federal jurisdiction such as fish, marine mammals, migratory birds and the ecology of Hudson Bay."
>
> Mr. Speaker, it is quite clear from the letter that the federal government maintains all its prerogatives in terms of environmental assessment, and this is repeated throughout the document the hon. member just quoted.

Mr. Speaker, we intend to have a full environmental assessment process on the infrastructures and the project.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I must say after listening to that, I am beginning to have a lot of sympathy and I certainly understand the problems Grant Devine has with this minister.

• (1420)

[*Translation*]

My question is for the Minister of Justice. On October 3, 1989 the member for Lac-Saint-Jean, on November 23 the same year the Chairman of the Review Office, and on October 29, 1990 the Acting Minister of the Environment all confirmed federal jurisdiction over the Great Whale infrastructures. Only when this minister came on the scene did the federal government begin to backtrack.

Will the Minister of Justice impart some resolve to her colleague? Will she confirm that the James Bay Agreement does not reduce the federal jurisdiction over roads and airports? Will she finally explain the mysteries of life to him?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I think that the member opposite may rely too heavily on the media as a source of information. It is interesting that one of the largest media in English Canada ran this morning the headline: "Quebec permitted to start Hydro Project", with about three columns of text under it, while Mr. Francoeur's article, in *Le Devoir* was titled: "Ottawa conceeds nothing to Quebec on Grande-Baleine." He even quoted the Quebec Minister of the Environment. Here is what he said:

> In Quebec, the Minister of the Environment did not look like a minister who just got the go-ahead from Ottawa. Brushing aside the hasty conclusions of the reporters, the minister pointed out that the president of the FEARO did not give Quebec a free hand in his letter. Instead, he reaffirmed Ottawa's jurisdiction in this matter.

Mr. Speaker, that is precisely what we did. We reaffirmed our jurisdiction in this matter.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, this is beyond belief. I was outside. I heard what the minister said in the lobby. I know and the Cree know what the minister's representative said at the meetings and I heard a direct contradiction of what the minister has just said.

Let us be very clear. This government does not lack jurisdiction. It lacks competence and it lacks courage. This government does not understand that the Rafferty precedent establishes very clearly that $600 million cannot be spent on roads and airports without compromising the environmental process. Does the government understand that a road cannot be built without asking what it is for?

My question is very clear. Will this minister simply give us a yes or a no? Will the minister ensure that no work will begin on any aspect, roads or airports, without a full evaluation process being completed?

One more thing, Mr. Speaker. Will the minister undertake that whatever his answer is in this House, it will stand at least until the scrum outside is completed?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the position of this government is that any major project of this nature over which the federal government has jurisdiction—and that is certainly the case here—will have to undergo an environmental process under the EARP legislation or under a process that is agreed upon to be equivalent to the EARP guidelines. That is the case we have before us. I have said in this House, time and time again, that there will be a full environmental assessment done and no decisions made before then.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in September the minister said: "We don't have two projects here. We have one and it should be looked at in its entirety". In October he changed his mind and said he did not object if Hydro Quebec went ahead with $600 million worth of work on roads and airports before the full environmental review was done.

Which is it, Mr. Minister? Is it one project, or is it two? Are we going to have a full environmental review before any work starts or are we going down the same rocky road where two years from now two or three ministers will have put us in a situation where a dam is done before a review is done?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, let me make the point once again very clearly so that maybe people opposite will fully understand.

We want this project to be assessed from an environmental point of view.

We want it to be assessed fully. We want participation from the provincial government. We would certainly like participation from native people who, as the hon. member opposite well knows, have a very great interest in this matter.

We are trying to work this evaluation process through the James Bay and northern Quebec convention that was signed in 1975 by the then Liberal government. Under that convention, there will be one joint panel appointed by the province and by the federal government to review all aspects.

They will have two mandates; one to review the infrastructure and one to review the project. After that we will see what decisions the federal government will take and what the decisions the Quebec government will take.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister said yesterday in the House that the government believes there has to be a full environmental assessment before work is done. This is not what he has said in other forums, where he is prepared to let $600 million worth of work go ahead. He has also said he does not object to those works going ahead.

If the minister is so unclear about what his responsibilities are, despite three court decisions telling him, will he join the Crees in court to find out what his responsibilities are? Will he take this matter to court so we can have a full environmental review?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, I wish that the member opposite had listened to my answer before reading her prepared second question.

I said very clearly that no work will be undertaken on the project before an environmental assessment is done. That is very clear. The roads, infrastructure and airport will be evaluated. The project will be evaluated. Then you get to the stage where licenses are issued. I have maintained that throughout.

It is totally false to say that I ever suggested in any forum anywhere that work could begin before an environmental assessment was undertaken and completed.

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, two years ago today Canadians re-elected this Conservative government.

Some hon. members: Hear, hear.

Mr. Langdon: In its first full throne speech, we were promised, and I quote: "Continuation of the nation's prosperity". Two years later bankruptcies are up a massive 61 per cent, manufacturing output is falling. The Mexican ambassador is talking about jobs shifting to his country from Canada.

Will the Deputy Prime Minister admit that rather than giving Canadians prosperity, his deliberate high interest rate, high dollar, free trade, GST policies have engineered a recession, an economic decline right across this country?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think the Minister of Finance has reiterated many times in this House that in his budgets of 1989 and 1990 the economy would be experiencing a slowdown. We are experiencing that slowdown at the present time.

The hon. member talks about the number of bankruptcies using percentages and yet he does not relate it to the number of businesses that we have in this country, approximately 1.7 million. He does not relate it to the 350,000 new businesses that were created in 1989. He does not talk about that.

When the hon. member talks about bankruptcies, he does not talk about the personal bankruptcies. Those personal bankruptcies are about 80 per cent of the bankruptcies, exactly what the Minister of Finance has been talking about. The demand for credit was far too high. People were over-extending themselves and that caused an increase in inflation. That is what he said then. That is what is causing these bankruptcies.

• (1430)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I do not believe this minister when he stands up in this House and somehow tries to blame people who have gone bankrupt, the victims, instead of the people who sit beside him on the benches.

Some hon. members: Hear, hear.

Mr. Langdon: Mr. Speaker, 43,000 bankruptcies is the highest ever in this country. It is the highest whether one takes it absolutely or as a percentage of companies operating. Yet, the minister stands up and tries to excuse it.

Why is the government doing nothing to deal with these bankruptcies? Why is it doing nothing to deal with this recession? Surely the government sees that we are into a serious deep and desperate situation for many people.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, neither I nor the government take any solace in people going bankrupt, but there are many reasons for people going bankrupt. A lot of it has been credit over-extension. There is no question about that.

The hon. member should remember something. The incidence of bankruptcy is 50 per cent less today than it was in 1982. He fails to mention that there are thousands and thousands more businesses operating today than there were back in 1982. He is comparing apples and oranges and it does not make sense.

What is the government doing to help with these businesses and so on? It is bringing in a fair tax system—

Some hon. members: Oh, oh.

Mr. McDermid: —which will place our businesses on a fairly competitive basis with our competitors from offshore. That is what the government is doing.

You should be encouraging your friends up in the Senate, if you have any, to pass the GST as soon as possible.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, the data shows that there has been an increase in bankruptcies of over 26 per cent compared to 1984. That is significantly greater than any increase in the number of companies that has occurred since then, according to figures which we had.

[*Translation*]

I have a supplementary, Mr. Speaker. Yesterday, the Ontario NDP government announced that a fund had been created to protect the salaries of the workers when businesses go bankrupt. Will this government plan something similar for the country as a whole?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as a matter of fact, my officials are having discussions with the provinces and we are presently considering the various options we could put forward to meet this expressed need.

I applaude to and take interest in the announcement the Ontario government made yesterday. It is of course only one of the measures announced as part of the Throne Speech, but we will have the chance, in the next few weeks, to discuss with the Ontario government how he intends to do this. I can assure you that my department should have something for Canadians in the near future to deal with this situation.

* * *

[*English*]

THE ENVIRONMENT

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is directed to the Minister of the Environment, or should I say this Monty Hall of the environment, who insists on playing *Let's Make a Deal* with the environment?

With James Bay II, the federal government has chosen to pit the right of the U.S. to import cheap power over the aboriginal and treaty rights of the Cree and Inuit of James Bay. In light of what has happened with Rafferty–Alameda and Oldman River, I would like to ask the minister about the government's legal obligation under the James Bay and Northern Quebec Agreement.

Will he commit to recognizing the government's legal responsibility with regard to the effect the project will have on aboriginal and treaty rights under the 1975 James Bay Agreement and ensure that the Cree and Inuit will trust him on his word?

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, in terms of the environmental assessment of James Bay, the government can work under the James Bay convention in northern Quebec and establish a joint panel to make sure that a proper and full environmental assessment is made of all the aspects of the project.

What we mentioned in Mr. Robinson's letter, which was published earlier this week, followed advice given by the Department of Justice back in April, saying that under the terms and conditions of the convention *per se* the federal government could not participate under Chapters 22 and 23. However, the letter stated very clearly that the full federal process can be applied. At the moment, we are trying to finalize negotiations whereby, rather than having a provincial evaluation on one side and a federal evaluation on the other side, we could have a joint panel that would also include the native people of the region, the Inuit and the Cree. We very much would like to see that happen.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, James Bay II, as everyone knows, is a massive hydro–electric project which will cause irreversible environmental and social damage. It may be constructed without a full public forum because of the sheer negligence of this minister.

If the minister has the confidence to state that there is the possibility of having one, will he state here and now that in fact there will be a full environmental assessment review and engender some kind of trust with the aboriginal people of that area, the Cree and Inuit? Here and now, Mr. Speaker.

Hon. Robert de Cotret (Minister of the Environment): Mr. Speaker, the answer is yes. I have said that time and time again. There will be an environmental—

Some hon. members: Oh, oh!

Mr. Andre: They can't take yes for an answer.

Mr. de Cotret: There will be an environmental assessment of the project, the roads, and the airport. It will be a public process.

It is a process that we would prefer to carry out jointly with the other interested parties. That is still under negotiation. But I can assure the hon. member that we have the power to have that kind of assessment and we will have an open and public review of the project and the infrastructure.

Some hon. members: Hear, hear.

* * *

THE ECONOMY

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Deputy Prime Minister. Bankruptcies in Canada have increased by 60 per cent this October over last October. Unemployment in Canada has increased for the fourth consecutive month in a row. The Conference Board of Canada

reports that a 30-year record of 79 per cent of business expects conditions to worsen in the next six months.

Despite all this documented evidence of a deepening recession and the possibility of a depression in the country, does the government plan to continue with its high interest rate policy and continue with the introduction of the goods and services tax? Does the government still forecast, brazenly and arrogantly, economic recovery this spring?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I will draw to the hon. member's attention that interest rates have dropped some 1.75 points in the last number of months. They have shown a downward trend since May and are continuing to go down. As inflationary pressures fall, those interest rates will continue to fall. So, I think the record on that is very good.

If we compare the interest rates today with the interest rates back in 1981 and 1982, when people were paying 23 per cent and 24 per cent interest rate instead of the 13 per cent and 14 per cent today, the comparison of the definition of high interest rates between a Liberal and a Conservative leaves something to be desired, I can tell you.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I would like to point out to the minister, who obviously has not a clue what he is doing standing in for the Minister of Finance, that there is still a five-point spread in interest rates between Canada and the United States. Interest rates in this country are still too high.

Some hon. members: Hear, hear.

Mr. Tobin: The government, in its vain and egotistical attempt to defend its failed policy, is playing Russian roulette with the jobs of Canadians. There have been 7,600 more laid off at GM, 6,000 in the forest industry, and fishermen and farmers devastated all across this land.

I want to ask the Deputy Prime Minister, on behalf of thousands of Canadians who have lost their jobs, will the government abandon its high interest rate policy? Will it abandon the goods and services tax that we can no longer afford? Give up this Thatcher-like stubbornness and face reality.

Some hon. members: Hear, hear.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I think we should put things into perspective. When the government came into office, in his own home province of Newfoundland, for example, the unemployment rate was 23.5 per cent. Today it is down around 16 per cent. It is still too high, but it is certainly going in the right direction.

• (1440)

Nationally, the unemployment rate was 11.7 per cent or 11.8 per cent. Today it is 8.8 per cent. It is still too high. That is right.

What is necessary is to ensure that we make the proper structural changes and adjustments. The GST is an important tax measure that will improve the competitiveness of Canadian industry. It should be passed. It should be brought into law.

If the hon. member wants to provide some confidence to the Canadian economy, he would prevail upon his Liberal friends in the Senate and urge them to co-operate and pass this piece of legislation, because all Canadians need it.

Some hon. members: Hear, hear.

* * *

PERSIAN GULF

Mr. John Brewin (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. Last night, we were regaled with film of the minister, Rambo-like, swinging onto the deck of HMCS *Terra Nova*, proclaiming his support for the Canadian participation in Operation Imminent Thunder.

Did the minister personally authorize Canadian participation in Operation Imminent Thunder? How does he square that with the UN resolutions and with his personal commitment to the House to consult the House before a Canadian role in the Persian Gulf was extended?

Hon. Bill McKnight (Minister of National Defence): I am sorry, Mr. Speaker, that my colleague, who also had the opportunity to visit Canadian forces, did not have the advantage to use some of the equipment that was available and visit all the troops who were there.

The hon. member is obviously saying that he does not understand what exercises are for. There is an important necessity that the hon. member is not recognizing. Forces around the world—Canadian forces, also—have to practise and exercise in order to do their job.

One really only has one opportunity. If one is not capable of fulfilling one's responsibility by exercising and being capable, then one is not able to protect the ships. If the ships are not able to exercise and fulfil their responsibility, they are not able to protect the hospital ships which happen to be there.

Canadian forces exercise daily. The squadrons exercise and the vessels exercise. I believe it is important so that the men and women who serve are able to do the job that they are assigned by the Government of Canada.

Some hon. members: Hear, hear.

Mr. John Brewin (Victoria): Mr. Speaker, the minister and the government clearly failed to grasp the vital necessity of keeping Canadian involvement within the limits of the UN mandate, but Let me turn to another point, Mr. Speaker, in my supplementary question.

In January, External Affairs asked CSIS to investigate whether or not Canadians or Canadian companies had assisted Iraq in developing long-range missiles, which today are aimed at our contingent in the gulf.

In view of the public interest in this issue, will the government make this complete CSIS report public? Can the government assure the House that no Canadian government agency in any way, direct or indirect, has assisted Canadians or Canadian companies in the development of Iraqi missiles?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, with respect to the specific question about CSIS, my hon. colleague knows that it is government policy neither to deny or to admit any allegations with respect to CSIS's specific operations.

[*Translation*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Minister of Finance but, in his absence, to the Acting Prime Minister.

Yesterday, the Quebec Minister of Finance stated that he had asked his federal counterpart to exempt books from the GST. Does the minister intend to listen and act accordingly, or will he once again turn a deaf ear?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think the Minister of Finance made it very clear that the GST would be implemented as is. I believe the Senate votes on its last amendment tomorrow and, hopefully, it will come to its senses and take the final vote on the goods and services tax and get on with it.

The Minister of Finance made a commitment that he would review certain aspects of the goods and services tax once it is implemented and operating, but to make exceptions now would be very foolish. It must be implemented and we must get on with the timetable. I would encourage the hon. member to talk to her friends in the Senate to encourage them to take the final vote on the goods and services tax.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I think the minister well knows that this is not going to be passed in a hurry.

[*Translation*]

My supplementary is directed to the same minister. Since Quebec would have to follow Ottawa's lead in this matter, books would be taxed twice. If the minister is reluctant to accept the logic of this proposal and decides to apply the tax across the board, could he give us a guarantee in this House today that he will grant tax credits to prevent the disastrous impact his policy would otherwise have on Quebec's written culture?

[*English*]

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I want to caution

the hon. member in making those kinds of statements because they are entirely inaccurate. First of all, books for education, libraries, and so on, are not taxable. She makes it sound as if books are being taxed out of existence; that is just not true.

The Minister of Finance has made a specific commitment regarding books and the minister will keep that commitment, but he is not going to change the GST at this time. It is to be passed and implemented on January 1. Again, I encourage the hon. member to speak to her friends up in the Senate, to bring them to their senses, to pass this bill as quickly as possible, so that businesses throughout Canada which have adjusted to the tax will not be losing hundreds and hundreds of thousands of dollars by the delay.

* * *

NATIONAL DEFENCE

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is for the Minister of National Defence. The minister is well aware, of course, that the low-level air defence capability for the Armed Forces is in some jeopardy with regard to the absence of a firing range near the base at Chatham. I want to ask the minister if he will assure the people of New Brunswick today that the firing range will remain in New Brunswick.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I have had communications with the premier of the province of New Brunswick, expressing to him the concern we have had over the apparent reluctance of the citizens in the area which he is referring to, around Chatham, in accepting the range. He knows full well, Mr. Speaker, that at this time there is an environmental assessment being done.

He also knows full well that the discussions we have had with the province of New Brunswick called for more than just a firing range. The province of New Brunswick is asking for some $25 million-plus to be provided, and to acquire a firing range and to retain low-level air defence. He also knows that the Department of National Defence has had a reduction in its budget. We are trying to make every effort we can to make sure we use those dollars efficiently. I cannot give the member the assurance he asks for.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I could take 15 minutes, which you would now allow me, to answer some of the allegations the minister has made. In any case, I want to ask him if he is aware that the economy of New Brunswick is very much wrapped up in this situation. Will the minister give us a commitment now that the firing range at Gagetown, which is being used by Americans, could be considered as a firing range for the low-level air defence operation at Chatham?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I agree with the hon. member that the contribution made by the Department of National Defence to the province of New Brunswick is indeed substantial.

I draw to his attention the construction of six Canadian patrol frigates that are taking place in that province today. I draw to his attention additional construction that will take place with the Canadian patrol frigates in his province, plus billions of dollars involved in these contracts. I can also assure the hon. member that the area that he is referring to is not of a sufficient size to test the low-level air defence weaponry that he is talking about. I can assure the hon. member that that range is being used as it is now to its fullest. Unless he wishes to jeopardize the operation of CFB Gagetown, I suggest he not talk about this any further.

* * *

• (1450)

CAMECO

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is for the Minister of Energy. This morning in Saskatoon, Cameco, a company for which the minister is responsible, changed its plea from not guilty to guilty to provincial charges arising from the spill of 2 million litres of radioactive waste into Wollaston Lake last November. Since Cameco also pleaded guilty to federal charges last December, this means there is no mechanism left for the public to get answers to questions like: what was the role of the regulators in this fiasco? What impact is this industry having on northern people and their environment? Does the 1946 legislation, which governs this industry, have any relevance in today's world?

Therefore, I would like to ask the minister if he is now prepared to reconsider his own decision and request a public inquiry into this whole matter so that the public can finally get at all the facts.

Hon. Jake Epp (Minister of Energy, Mines and Resources): No, Mr. Speaker.

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FRASER RIVER

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister of Fisheries. The minister is in receipt of a proposal from his Department of Fisheries and Oceans, Pacific Region, which calls for the development of a long-term water management strategy for the clean-up of the Fraser. The report, which I have with me, stresses co-operation between all levels of government to define limits to human activity and implement strategies to ensure the concept of sustainable development is achieved.

I want to ask the minister whether he will commit his ministry to a co-ordinated clean-up of the Fraser River. Will he acknowledge the need to develop a local management plan on a watershed-by-watershed basis? Will he empower these agencies with the legislative teeth needed to ensure that our environmental legislation is adhered to?

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, all I can tell the hon. member is that very seldom do we hear the members of the socialist team congratulate this government on any steps taken to protect our environment. If he cares to look at what is taking place in the province of British Columbia, the hon. member, seeing what we have done in the last five years, should have no doubt whatsoever that we shall do more in the future.

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PARLIAMENT BUILDINGS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, my question is for the Minister of Public Works in connection with his government's physical responsibility for these buildings on Parliament Hill. While we have been aware of reports of asbestos which may be contaminating the air of the Centre Block, West Block and Wellington Building, apparently more asbestos has been uncovered during recent renovations of the cafeteria area on the upper floors of the Confederation Building.

As one of the many hundreds of worried inhabitants of the Confederation Building, I am wondering if the minister can confirm the presence of asbestos in that fourth Parliament Hill structure, how serious is the problem and can he advise us how and when his department is going to get it out of there?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, it is true that I am an inhabitant of the Confederation Building. I can tell the House and my colleague that I have had recent conversations with the Speaker on this important issue. There is fibreglass and asbestos in these premises. It is not the same in each building. Most of the substances I think have been removed from the eighth floor of the Confederation Building when that part of the premises was being renovated for different purposes. Work is proceeding in the Wellington Building as well.

I have asked my department to increase the vigilance that it has for inspection and to bring me a more detailed plan for the orderly disposition of this substance which, in its inert form, I am told, does not present a very serious threat to health.

* * *

ABORIGINAL AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, two days ago the Minister of Indian Affairs and Northern Development tabled in this House the government's response to a report of the Standing Committee on Aboriginal Affairs about the relocation of several Inuit families from northern Quebec to the high Arctic in the 1950s.

The government's response flies in the face of the committee's report. Why has the minister ignored the committee's report which was based on the testimony of Inuit who were part of that relocation experiment?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the government indeed responded to the report of the standing committee on Monday of this week, after having a consultant do an extensive evaluation of the circumstances relating to the voluntary relocation of a number of Inuit families from northern Quebec to the high Arctic in the period of 1953 and shortly thereafter.

The consultant's report says in summary, and I would like to read this briefly, Mr. Speaker:

> We found that the decision by the government to actively encourage the relocation of Inuit families to the high Arctic in 1953, and in the two or three years subsequent to that, was not motivated by a concern to strengthen Canadian sovereignty over the Arctic Islands at that

time, but was indeed motivated by a concern to improve the social and economic living conditions of those Inuit people.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, the minister just pointed out that it was an extensive consultant's report. Let me point out that from the information we have, this consultant's contract was issued on August 8, 1990, and the final report was due on September 14, 1990. Five weeks is not a very extensive consultant's report.

Mr. Speaker, I will now ask the supplementary. Will the minister agree that the timeframe allowed was far too short for a definitive and conclusive analysis of these events, and will he assure the Inuit people who were so adversely affected by the relocation that this study is not the final word on the subject, and that he is open to further discussions and negotiations with them?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the report goes on:

> The evidence that we examined does not support the allegations that the government committed wrongdoing in the planning and conduct of this project. The material we examined leads to a different conclusion, namely, that the project was consciously planned and was carried out in a reasonably effective manner, and that the Inuit participated in it voluntarily in their own search for a better life and benefited from that experience.

In conclusion, I find this report, as does the government, completely acceptable.

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TOBACCO

Mr. Stan Wilbee (Delta): Mr. Speaker, there was some good news on the front page of the *Globe and Mail* yesterday. It pointed out in the news story that the consumption of tobacco in Canada is dropping rapidly: a 7.4 per cent drop in cigarette sales and a 23 per cent drop in fine cut tobacco sales, meaning that Canadians are smoking 10 per cent less this year than last. Clearly the government's strategy to reduce tobacco use in Canada is working.

My question is to the Minister of National Health and Welfare. Could he inform the House today of the government's plans to ensure that this excellent trend in public health continues in the years to come.

An hon. member: Excellent.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, all members of Parliament should be tremendously heartened by the results showing the 10 per cent drop in the consumption of cigarettes and cigarette tobacco in Canada in the first 10 months of this year.

It is an indication that the legislation passed by this Parliament, the tax measures which have been taken by the Minister of Finance, and the public education measures taken by the government and by a whole range of social agencies across Canada are having a dramatic effect in improving the health of Canadians.

However, as long as 35,000 Canadians continue to lose their lives each year in diseases related to tobacco use, we must continue to keep up the pressure and do everything that we can to reduce this tragic loss of lives.

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• (1500)

[*Translation*]

DAIRY INDUSTRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of State for Agriculture. Yesterday, a research group at Laval University concluded that the Tory government's proposal to GATT with respect to the dairy industry would reduce the incomes of dairy farmers by 21 per cent.

What does the Minister of State for Agriculture intend to do to protect Canadian farmers from the disastrous situation created by his colleague, the Minister for International Trade?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I think we should put the findings of this study into perspective. I may remind the hon. member that the vast majority, if not all, of Canadian farm producers support Canada's position at GATT.

Mr. Speaker, the study published yesterday is based on the present situation and does not consider the various changes that will take place over the next 10 years, including improved productivity, increased domestic consumption, the development of new products, and so forth. And I may add, as I said only a month ago in this House, that dairy farmers do not accept the status quo. The status quo is unacceptable, and on that basis, the

Minister for International Trade tabled an offer last March to clarify and strengthen article XI, which means, Mr. Speaker, that our Canadian dairy producers will be protected, all thanks to this government.

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[*English*]

GOODS AND SERVICES TAX

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of State for Finance.

Now we know that at least five provinces are considering robbing social assistance recipients of the GST tax credit. These poorest of Canadians deserve a clear commitment from this government that they will not have both their pockets picked: one by the federal government with the GST itself and the other by provincial governments robbing them of the tax credit.

Will the government undertake to obtain from the provinces an ironclad guarantee that they will not rob poor Canadians of the GST tax credit?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member knows, the Minister of Finance and I and others have dealt with this question.

We have said in the past that although we do not have any direct control as to provincial taxation policies, we will take every possible step to encourage provinces not to pursue that objective.

I understand that my hon. friend has received his information from the poll taken by *The Globe and Mail* that five provinces are considering such a move, which of course is wrong because one of the major provinces, the province of British Columbia, has stated quite categorically that there is no such consideration.

If a province—and that is a hypothetical situation—would move in that direction we would take every step to discourage it because we find it to be immoral, improper, if not illegal.

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the hon. Lloyd Roseville Crouse, Lieutenant-Governor of Nova Scotia.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member for Annapolis Valley—Hants on a point of personal privilege.

* * *

PRIVILEGE

ANNAPOLIS VALLEY—HANTS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I must say that I have given you notice of the question of privilege that I intend to raise today. I must say I did not realize I was going to bring the Lieutenant-Governor of Nova Scotia up here to help sort things out.

Mr. Speaker: I know the hon. member would not want to draw the representative of the Queen into these very serious matters which he has to raise, but I think hon. members will notice that this is the first time we have ever known what His Honour's middle name really was.

Some hon. members: Oh, oh.

Mr. Nowlan: Mr. Speaker, I would like to rise on this point of privilege. We all know that points of privilege are a little spurious, but it gives me an opportunity to say a few things to help clarify my status as a member in this honourable House.

Mr. Speaker: I have difficulty with points of privilege, but not often does an hon. member start off with suggesting that it may be spurious.

However, given the hon. member's many years in this place, I recognized the hon. member on a point of personal privilege. There is no legal authority, procedural or otherwise, historic or precedential, that allows this. It is just done every once in a while.

Mr. Nowlan: Mr. Speaker, I must say that I knew it was difficult enough to do, but I did not know it was going to be this difficult to finally get it on.

In a serious vein—and this is a serious moment—there is obviously some sadness in this, if for no other reason than after 25 years I have come full circle. I find myself in the high rises of the backbench of the opposition,

which is about two seats from where I started a quarter of a century ago. I don't know, but that is some type of reverse progress. That is the sadness.

Obviously I shared many arguments with colleagues across the way, many debates, and many fine associations, which in part I hope will keep up. Especially what I intend to do and the dilemma it puts on loyal supporters who have supported me and my predecessor, my father, for years are not taken lightly.

On the other hand, I could not recite all the events that have led to today. I wrote a letter to my colleagues in caucus, which has been pretty well circulated and sets out some of my thoughts. There is the sadness, but I think I am honourably doing the right thing in the sense that over a period of time the yoke of caucus and blind loyalty to the leader have been very difficult for me to follow.

I am very serious. I am glad we are on television. We can always debate whether the televising of these proceedings is good or bad for this country, and I was for it. If there is anything that helps smother the respect of this institution, it is that Canadian men and women of good faith, intelligence and character have come here to try to do the job and, as soon as they get here, they find out that they play by the rules of the John A. Macdonald era of one flag, one party, one leader, and vote accordingly. We have all been through it.

That begins the scepticism of a member as to what he is doing here, let alone through the technology of television is given the boil of cynicism in the public domain as to what goes on here as we politically posture, do not really debate the issues, and often divide on the issues because it all has to be the party line. That is something that is fundamental in this institution and inherent in its defect.

I seriously suggest that at this particular time in this Parliament and with the polls—and I think they will continue to show it—no party is certain of victory with a majority in another election. That is the time when everyone may think they are in charge. That is what we used the last time to have another attempt to reform the rules of this Parliament to try to get it into the 20th century before we get into the 21st century.

I do not want to trespass too long in the House, but I have come to this decision over a period of time, with regret. Other than what I have mentioned in terms of the inherent defect in Parliament, where we have to play the game according to rules from 126 years ago, we have the rhetorical cancer of double-speak. When in opposition, and I spent a lot of time in opposition, we say one thing. Then we get in government and we just say the opposite.

In the days of parchment when few people could read—I know you couldn't see it—you could get away with that, but with television it shows the falseness of this place. Unfortunately the present government is reflecting that in the polls in effect when in opposition, for example, we champion the cause of the Auditor General.

I have been here 25 years. I am not going to take one minute for each of the 25 years, but I am going to try to take a few minutes on something that I think is very serious. I am going to recite a few things because I think it is necessary, along with all the other rhetorical garbage that we have in this House from time to time.

The mandate of trust and change started to erode when the government took office in 1984. We had championed the cause of the Auditor General in the Petro-Canada takeover of Petrofina. As soon as we got in government we took them to court the same as the Grits did. That is the type of double-speak I am talking about. One can go right down the list.

Our opposition critic, who is now the Minister of Finance, said things about the high interest rates in opposition. Then he—

• (1510)

Mr. Speaker: My difficulty is this. I have allowed the hon. member to rise on a point of personal privilege. This is done as a matter of courtesy of the House. As I said in a more jocular tone a few minutes ago, it is not part of the rules and it is not part of the precedents, but it is done as a matter of courtesy.

I would ask the hon. member to come to the point that he wishes to make. It is an unusual indulgence given by the courtesy of the House. It is not given to any member just to give a speech about many things which may be of great importance but which should be properly the

subject of debate, and not given to one member to make without the opportunity of other members to respond.

I would ask the hon. member to come to the point of his point of personal privilege. I think I know what it is. His reasons for wanting to make that point are of interest to all of us, but it is not appropriate for me to allow the hon. member to engage in a unilateral exposition of his own views, unless of course other members were allowed to join in. Then we would be in a debate which is completely outside the rules, and I would be much at fault for allowing that to happen. I would ask the hon. member to come to his point.

Mr. Nowlan: Mr. Speaker, you of all people are a person I respect as not only an equal among equals but as a Speaker that really has lent dignity to this Chamber. I will follow your admonition and therefore not say some of the things I wanted to say. Perhaps there will be other opportunities to say them. I was just trying to illustrate by example so that we could perhaps be educated by it, with respect and after being 25 years in this place, so that we would try to correct ourselves and/or perhaps members would not get into the dilemma.

I will come to my point of privilege. Quite frankly I have been placed in the seats of the independents. I guess I am the dean of the independents since the row seems to start here and goes to my left. I have been treated as an independent. I guess in many ways I am an independent, as my colleagues know, from time to time. I might as well face facts. If it is a rose, a rose is a rose or whatever else you call it. I want to be known officially because the records have had trouble with it and other people have had trouble with it, in this state of suspension and hibernation in which I place myself.

I want to be known, with misgivings but also perhaps with the joy of freedom, to be an independent Conservative and sit in this House as an independent Conservative. I am speaking out and taking the position because I fundamentally believe in it.

I cannot end without reflection on one item, which I know some members of the press will reflect on it, because they have already reflected on it, in terms of my roots. I know in people's minds—and especially the Lieutenant-Governor of Nova Scotia who served with him—they most likely are wondering in an understandable way: "What would his father have done?" Who knows? Times are different, and he was a loyal party man.

I think there comes a time, if a member honestly believes that loyalty to leader is always fundamental, when there are some topics of some situations where loyalty to leader is transcended by loyalty to a party. I have left the government caucus. I have now officially declared that I am an independent Conservative. I have been a Conservative longer than three-quarters of my caucus and I intend to be.

I am standing here in the open forum of this the highest court of the land to have perhaps by example other Canadians, let alone Conservatives, speak out. I do honestly believe, unless there is a change in direction, that the party to which I belong is going to be in very serious straits. With a change in direction this could be corrected, but as far as today is concerned I want to be known as an independent Conservative and have me so registered in the records. I really do not know if you have to change my seat or not since I am already over here.

Mr. Speaker: The hon. member has risen on a personal point of privilege. I am going to close off any further debate on that and call for Tabling of Documents.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I would just like a little clarification. In the back of the Wednesday edition of *Hansard* we have the alphabetical list of members of the House of Commons for the second session of the 34th Parliament.

There was a point of personal privilege, and I believe our precedents would indicate that members are listed by affiliation related to the Canada Elections Act or as independents with no other possibilities in terms of that listing. I make the point that I believe all Conservatives have an independent bent of mind and certainly inside our caucus on many occasions we have very spirited debates. However, in terms of the listing for official purposes in terms of the House of Commons, I think it would be appropriate if the member was listed as an independent and that the matter ended there.

Mr. Speaker: I have heard the hon. member for Calgary West and of course I have heard the hon. member for Annapolis Valley—Hants. I will consider this. I think that it is a matter that has already been raised before the Chair. It is a matter which is being discussed between some other members in the House

and the other parties, and I hope that it can be satisfactorily resolved.

ROUTINE PROCEEDINGS

[*English*]

BILL C-72

REVISED REPORT OF LEGISLATIVE COMMITTEE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, on Monday of this week I had the honour to table the report of the legislative committee on Bill C-72. It has been necessary to table the report again because an amendment which had been defeated in committee was inadvertently included in the report.

Therefore, at this time, I have the honour to present, in both official languages, the revised report of the legislative committee on Bill C-72, an Act to establish the Canadian Polar Commission and to amend certain acts in consequence thereof, with amendments.

Mr. Speaker, once again I wish to compliment members on all sides who participated in the deliberations of that committee and thank them for their consideration and their expeditious handling of the deliberations of the legislative committee.

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

* * *

POINT OF ORDER

SPECIAL COMMITTEE ON BILL C-79

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order. Yesterday the House at the stage of tabling reports from committees was given a report from the special committee on Bill C-79, which studied the amendments to the Parliament of Canada Act. Those amendments were in seriatim form. They were not in the bill and the bill has only been available to members since noon today. I have a copy in my hands right now.

We all know that according to our Standing Orders, if the government called this bill tomorrow, we only have until about six o'clock tonight to table amendments. I wonder if we could get unanimous consent, Mr. Speaker, to extend Standing Order 76(2) to 72 hours instead of 48 hours to give all members a chance to read this bill and to possibly bring amendments before the government calls the bill.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Certainly I agree with that suggestion and would be willing to give the opposition House leader my commitment. I will not call it until there is agreement of all three party House leaders.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to say I appreciate those comments by the government House leader. I think it is important that we negotiate a satisfactory conclusion of that legislation. I think the proposal put forward by my hon. friend is a good one.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair takes note of the consensus among the three House leaders.

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour to once again have an opportunity to present a petition on behalf of a number of constituents from Kamloops, Clearwater, Barriere, Logan Lake and Chase in British Columbia who are concerned that the government is going to tax literature. I know most of us are distressed at this fact. It will make Canada the only country in the world to place a special tax on reading material. The petitioners feel that this is regressive and I suspect we feel that as well. They ask the government to reconsider taxing literature.

• (1520)

On another topic, Mr. Speaker, and on behalf of a number of constituents from the city of Kamloops who are almost at the point of depression that the government, in spite of 80 per cent of Canadians indicating opposition to the goods and services tax, is continuing to ram this brutal, cruel, mean-spirited tax through. They are asking the government to come to its senses, back off, listen to the people of Canada and introduce real, thorough, fair tax reform instead.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present four petitions signed by residents from various parts of the country, including the province of British Columbia.

The petitioners are adamantly opposed to the imposition of the goods and services tax. They believe it is very punitive in that it will affect low and middle income Canadians. It will affect a variety of the goods which they consume and will cause great difficulty to small and medium sized business. They call upon the Government of Canada to withdraw immediately the provisions of the goods and services tax.

SPORTS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I have the good fortune to present a petition from many citizens in Ottawa indicating their feelings towards NHL expansion and the fact that Canada should be very much part of this expansion. The teams from Ottawa and Hamilton very much have to be considered. Canada has to stay on the front page of the foremost league in North America.

These citizens have brought this petition forward. The deadline is December 7. That is when the world will know whether Canada is going to be part of the future of the National Hockey League. Indeed, we cannot afford to lose our market share. Canada has to be part of it. I urge all members to take these petitions home to let Canadians show their support for Canada's greatest game.

GOODS AND SERVICES TAX

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, the petitions do keep coming in because of this dastardly GST.

Once again I have a petition to present from the people of Toronto and from my riding in St. Catharines who are very much opposed to the imposition of this tax. I have yet to have anyone in my riding approach me to say that this tax is acceptable to them. Once again I bring this before the government and ask them to reconsider the imposition of this tax on people who can least afford to pay.

ABORIGINAL LAND CLAIMS

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my privilege to rise today under Standing Order 36 and present a petition, which speaks for itself. It states: "We the undersigned respectfully request the federal government to negotiate in good faith and in the spirit of justice with the people of Oka to resolve the present crisis. We expect that the Government of Canada will immediately act upon its authority and responsibility and deal in a just manner with the struggle of all aboriginal peoples in Canada to have their land claims and rights properly addressed. Inaction on the part of the federal authorities will only continue to antagonize race relations in Canada and provoke dangerous and ignorant acts of racism".

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, my second petition is from the people of Oliver, Osoyoos, Okanagan Falls and Penticton in their effort to block the goods and services tax. These people are opposed to this tax and have asked the government to stop the proposal and bring in real tax reform that is fair to all Canadians.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to Standing Order 36, I have the duty to table today a petition signed by Canadians who are vigorously opposed to a tax on reading, books and all printed materials.

These petitioners, who are very angry at the proposal put forth by the Conservative government, state that the uninhibited dissemination of the printed word is a cornerstone of democracy, culture and education. They argue that a literate and productive society can only be negatively affected by such a plan to tax books. Mr. Speaker, these people, like me, strongly believe that to tax books is to promote illiteracy.

[*English*]

FOOD AND DRUGS

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the pleasure of presenting a petition signed by a number of Canadians from the Brantford area, as well as from Nova Scotia, who are concerned about the recent death this year of a young girl, due to a food allergy.

The petitioners call upon Parliament to enact appropriate legislation and regulations that would require

proper labelling of prepared foods as well as the availability in restaurants of lists of ingredients of foods that are prepared to be served there.

CANADA POST

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased today to rise under Standing Order 36 to present a petition signed by citizens of Freetown, Prince Edward Island. They are concerned about the future of their rural post office.

The petition states that Canada Post Corporation has a mandate to improve services to Canadians. Whereas Canada Post has made $149 million in profit in the year 1989 to 1990, and whereas 180 families are served by the Freetown post office, and whereas the post office is the only federal institution in our community, the petitioners ask Parliament to instruct Canada Post to maintain and improve the post office in their community.

LOW-LEVEL FLIGHTS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have two petitions to present today, one of which is signed by a large number of people from Saskatchewan communities like Laird, Waldheim, Saskatoon and Regina. It is also signed by people from Courtenay, Comox, Abbotsford and Vancouver, British Columbia, as well as Winnipeg and many other places in Canada.

The petitioners call on Parliament to support the Assembly of First Nations, the Inuit of Labrador's call for an end to low-level flight training in Canada. They are asking Canada to redirect its NATO-NORAD funding towards enabling Canada's aboriginal people to regain control of their lands and livelihood as well as promoting sustainable development for all Canadians.

NORTHERN TAX BENEFITS

Mr. Ray Funk (Prince Albert—Churchill River): The second petition I have is signed by the residents from La Ronge and Pine House in the northern part of my own constituency.

The petitioners call on Parliament to reinstate the northern tax benefit. It is vitally needed to compensate people in northern communities for the very high cost of living, which will be made even higher by the imposition of the goods and services tax.

FOODS AND DRUGS

Mr. Benno Friesen (Surrey—White Rock): Mr. Speaker, it is my pleasure to present a petition signed by people of the lower mainland of B.C. on behalf of those people in our society who are suffering from life-threatening allergies.

They ask Parliament to introduce legislation that would empower or require food manufacturers and packagers to label their products in such a way that those suffering from life-threatening allergies would be forewarned and prevent sickness or possible death.

[*Translation*]

HERITAGE LANGUAGE TRAINING

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table a petition from residents of south-shore cities located in the ridings of members of this government. The petitioners, considering that thousands of students and teachers in heritage language schools depend on government support and that the heritage language training program is the best way to foster national harmony and to provide language abilities and communication, ask me to humbly pray the government to maintain the heritage language training programs.

[*English*]

GOODS AND SERVICES TAX

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have five other petitions coming from all parts of Canada which state that the Government of Canada has seen fit since Confederation and without hiatus to apply a zero rate of tax to magazines, books and newspapers, and now proposes to include them in the GST.

The petitioners humbly pray and call upon Parliament to reaffirm the historic principles embodied in tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

• (1530)

FOOD AND DRUGS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present this petition. The petitioners who have signed it are from Scarborough, Pickering, and Oshawa in the

province of Ontario, as well as from Halifax and Dartmouth in the province of Nova Scotia.

Earlier this year, a 15-year-old girl from Scarborough, Robyn Allen, passed away as a result of a very severe allergic reaction. The petitioners join with the Allergy Information Association in support of this petition. They call upon the Government of Canada to enact legislation amending the food and drug regulations, in order to require manufacturers to list specific ingredients and additives used in pre-packaged foods so that people who use restaurants will know what is in the foods that they are eating.

I am very pleased to present this petition today.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition concerning the GST, signed by residents of Quebec and Ontario. Your petitioners object to taxing books and magazines.

* * *

[*English*]

VANIER CUP

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, it is an honour and a privilege to rise today to present a petition on behalf of a number of people in the Edmonton area, including some who live in my riding of Elk Island.

Whereas one of the most significant aspects of Canadian culture is amateur sports and the Vanier Cup, named in honour of a former Governor General, is one of the truly national championship sporting events in the country; whereas Canadian Broadcasting Corporation radio has annually broadcast most Vanier Cup football games since the first game in November of 1965; and whereas the CBC has decided that play-by-play coverage of the 1990 Vanier Cup will not be broadcast; the undersigned humbly pray and call upon Parliament to urge Canadian Broadcasting Corporation radio to reconsider its decision regarding its traditional live broadcast of the Vanier Cup from Toronto on November 24, 1990 and fulfil the mandate of the corporation to serve, maintain, and augment Canadian culture from sea to sea.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by a number of electors in the great city of Toronto.

[*English*]

Like the electors of Kamloops, whose member spoke for them a moment ago, they are opposed to the goods and services tax and particularly this new tax to be imposed on books and magazines in Canada.

The petitioners wish, as do I, that the hon. member for Kamloops would take a place in the Senate, since he has spoken against the goods and services tax, and help the Liberal senators in that body who are fighting so valiantly against this tax. I know that he has charts and tables that would be of assistance to the hon. senators and I am sure his electors would be delighted to see him in the Senate doing good works there. Perhaps his usefulness on this particular tax would be a little greater than in this House, where the government's apparent inability to hear the pleas of the thousands of Canadians who have signed these petitions, is notorious. Indeed, our pleas in this case seem to be falling on deaf ears.

I urge the government to listen to the millions of Canadians who have signed these petitions and withdraw this iniquitous tax, at once.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, question No. 340 will be answered today.

[*Text*]

GUIDELINES REGARDING THE POLITICAL RIGHTS OF PUBLIC SERVANTS

Question No. 340—**Mr. Bellemare:**

Further to the Federal Court of Canada decision relating to section 32(1)(a) of the Public Service Employment Act, has the government established any guidelines regarding the political rights of public servants and, if so (a) can public servants (i) contribute financially to a party (ii) be a member of a party (iii) participate in a federal leadership campaign (iv) work for a party or candidate during an election (v) be a

scrutineer (vi) work in an election office (vii) display a lawn sign (viii) canvass (b) are there specific activities in which a public servant is prohibited from participating in?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): I have been given the following information by the Public Service Commission:

Under sections 32 to 34 of the Public Service Employment Act, the Public Service Commission is responsible for matters having to do with the political rights of public servants. Following on the judgement of the Federal Court in the Osborne/Millar appeals in 1988, the PSC issued a bulletin to all public servants indicating that the court had struck down paragraph 32(1) (*a*) of the Act [now numbered 33(1) (*a*) and (*b*)[, and that on the other hand the Court recognized the existence of the constitutional convention of political neutrality on the part of the public service.

At the present time, the legal situation of each public servant is such that it is not possible to provide a blanket rule regarding permissible political activities for all. Each situation must be resolved in light of two principles: that the public's interest requires the actual as well as the perceived impartiality and neutrality of the public service; and that the duty of loyalty of each public servant to the government calls for restraint in political expression and political action on the part of that public servant.

It is not possible to state a rule of general application regarding the rights of all public servants because in applying these principles in a given case, a number of things must be taken into consideration such as the nature and level of the duties of the person, whether that person has contact with the public or not, whether he or she works in a small locality or a large one, and so on.

It should be added that the Conflict of Interest and Post-employment Code indicates that public servants must avoid becoming involved in any outside activity that might place demands on them which are inconsistent with their duties or call into question their ability to perform their duties objectively.

The Public Service Commission appealed the judgment in the Osborne/Millar case to the Supreme Court of Canada. The appeal was heard on October 11, 1990, and judgment is due sometime in 1991. Directly or indirectly, this judgment is expected to lead to the clarification of the rights and obligations of public servants, departments and the Public Service Commission in this regard.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, if question No. 366 could be made an order for return, that return would be tabled immediately.

The Acting Speaker (Mr. DeBlois): Is it the pleasure of the House that question No. 366 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

MARINE ATLANTIC

Question No. 366—**Ms. Callbeck:**

For each of Marine Atlantic's car ferries from Borden, P.E.I. to Cape Tormentine, N.B. (*a*) what is the present monthly capacity utilization (*b*) what was the capacity 5 years ago (*c*) what is the forecast for capacity (i) in 1 year (ii) in 5 years?

Return tabled.

[*Translation*]

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

The Acting Speaker (Mr. DeBlois): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, would you be so kind as to call notice of motion P-30 for the production of papers, in the name of the hon. member for Kingston and the Islands?

That a Humble Address be presented to His Excellency praying that he will cause to be laid before the House copies of the report to be submitted by the Attorney General of Quebec to the Secretary of State of Canada, pursuant to Section 281 of the National Defence Act, which sets out the circumstances that occasioned the calling out of the Canadian Forces at Oka, Quebec.

Mr. Champagne: Mr. Speaker, this notice of motion for the production of papers is acceptable to the government, and the papers are being tabled immediately.

Motion agreed to.

Mr. Champagne: Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. DeBlois): Shall all notices of motions stand?

Some hon. members: Agreed.

[*English*]

Mr. Milliken: Mr. Speaker, I thank the parliamentary secretary for agreeing to Motion No. 30.

Motion No. 31 asks for details of costs of the deployment of the Canadian forces at Oka.

I noticed that in *Hansard* in my absence earlier this week, an answer appeared—I believe it was this week—detailing the costs for a certain period of time already. In other words, the government has got those figures for part of the time, if not all of it.

I wonder if the parliamentary secretary would speak with his colleague, the Minister of National Defence, to see if that additional information could not be provided. It has already been given in a response. I am simply asking that it be produced in the House in documentary form via by Motion No. 31.

[*Translation*]

Mr. Champagne (Champlain): Yes, Mr. Speaker. The hon. member is of course aware that we are working on it, and as soon as we are able to, we will be glad to answer his question.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—THE PRIME MINISTER

Mr. Nelson A. Riis (Kamloops) moved:

That this House express its loss of confidence in the Prime Minister and call upon him to resign and immediately call an election.

He said: Mr. Speaker, before I begin my remarks I want to say simply that there have been discussions between the parties and there is an understanding that if the members wish to split their usual 20 minutes and 10-minute question and comment period, that is their decision to make. The individual should comment on that at the beginning of their presentation so it is perfectly clear for the person in the chair.

I want to say at the outset that I plan to split my 20 and 10 would be with the hon. member for New Westminster—Burnaby.

To begin, I say that it was not an easy day for the New Democratic Party caucus to look about the state of the nation on this second anniversary of the election of the Conservative government and notice the way the entire country has deteriorated. Because of what almost appears to be a government inspired scorched-earth policy which has resulted in unbelievable levels of human carnage and suffering, we have had to bring forward this motion on behalf of the people of Canada which states that this House expresses its loss of confidence in the Prime Minister and calls upon him to resign and immediately call an election.

This is a very serious motion. The Prime Minister has lost the confidence of the people of Canada and the ability of the Prime Minister and his government to govern no longer exists.

I want to refer to some of the headlines in the papers that I noticed in the Reading Room today. One of the headlines stated: "Polls say the Tories could do with a better leader". Another stated: "Nine-tenths believe that there should be an immediate review of the new tax, with most people wanting to abolish the tax." Another headline stated: "If the Prime Minister remains, most say the economy will get worse."

Another headline stated that under this Prime Minister the economy has been transformed and so too has our reputation abroad. Another headline stated that this Prime Minister has sharply cut back both at the environmental department spending and at defence spending. Another one stated that this Prime Minister is not fit to rule. Another one stated that the country is effectively leaderless. Another one stated that the lack of leadership affects the foreign exchange market.

All of these headlines were referring to Margaret Thatcher in the United Kingdom and the fact that the situation there has similarly deteriorated. These headlines simply represent the contempt in which the people of the United Kingdom now hold their Prime Minister. It is a sad day for our country to say that the same now has occurred in Canada.

In the United Kingdom, many of her own back-benchers and members of her cabinet are calling on her to resign. In a few hours from now, the British House of Commons will be holding a similar debate to this one, challenging the Prime Minister's right to continue at a time when the country appears leaderless and at a time when the entire economy is being threatened. The people of the United Kingdom have indicated clearly how they feel about their Prime Minister. I suggest that

the people of Canada have indicated that we have similarly lost faith in our Prime Minister and the government of the Prime Minister.

• (1540)

Let us continue for a moment and simply reflect from today's newspaper. A massive poll conducted by Angus-Reid and Southam News points out that our Prime Minister is the most unpopular Prime Minister in Canadian history. As a matter of fact, in the last number of hours, at the major meetings in Europe, we have noticed that no one wanted to meet with the Prime Minister. He had asked to meet with many heads of state and virtually no one wanted to meet with him. Most cancelled any plans that had been set up. Even overseas, he appears to have lost the confidence of world leadership.

The polls also tell us that this is the most unpopular government in Canadian history. No government has been so low in public esteem in the entire history of our land. According to today's poll results, seven out of ten Canadians could not think of a single thing that this government has done since the last federal elections, not a single positive thing.

Mr. Fulton: Can you think of anything?

Mr. Riis: My colleague from Skeena asks if I can think of anything. Unfortunately, I say with a heavy heart, that I cannot. I cannot think of a single, positive thing that this government has done to help the people of Canada.

Some hon. members: Oh, oh.

Mr. Riis: The Tories say that the free trade deal was a great accomplishment. When the people of Canada were asked if they agreed, 92 per cent disagreed with that comment. Only 8 per cent of Canadians felt that the free trade agreement was good for the country and 92 per cent disagreed.

The Conservatives sometimes say that tax reform was a good idea. Ninety-five per cent of Canadians disagreed with that position. Only 5 per cent of Canadians think that tax reform has been a positive gesture.

In terms of deficit reduction, our Prime Minister goes on at some length about the great successes in reducing the deficit. Ninety-five per cent of Canadians disagree with him. They say that the debt of the country has never been greater and that deficit simply does not come down in any significant real way.

Then there is the environment. All of a sudden the entire cabinet is turning green before us. They are saying we are going to take major steps in terms of environmental issues. Ninety-eight per cent of Canadians disagree. Only 2 per cent of Canadians feel that the government is serious in terms of the environmental issues confronting the country.

Jobs, jobs, jobs. Oh, how we remember that slogan in the last federal campaign. How many Canadians feel that the government has actually performed in creating real jobs? Two per cent. Ninety-eight per cent of Canadians feel that the government's record is abysmal and that it is woefully inadequate. It has, if you like, ignored the reality. Even the free trade agreement has resulted in 165,000 jobs being abandoned in this country on a permanent basis.

Then there is leadership, and that is what it is all about. The Prime Minister of Canada is attempting to present leadership to our country at a difficult time. When one looks at how people feel about the leadership that this Prime Minister provides, when one looks to see what the vision is of this particular Prime Minister, and when one considers the people's trust and confidence in this Prime Minister, I am afraid to say that the poll results this morning state that 99 per cent of Canadians have lost faith in this Prime Minister. Only 1 per cent of Canadians had the courage to say that they thought the Prime Minister was doing a good job when it came to leadership. That 1 per cent is probably a statistical error. I would suspect, in reality, that 100 per cent would say that this Prime Minister has no vision of the future and, as a result, he has been conducting a process of dismantling our country.

We have heard the Prime Minister say as he travels about the country in an attempt to carry on a propaganda message that, indeed, he is trying to make good, tough decisions. He claims that his government has made tough and hard decisions. Tough and hard decisions do

not necessarily mean good decisions. They are wrong-headed decisions. As a result, winds of despair, disillusionment, and discontent are blowing across the land.

I believe that if we ask Canadians how they really feel, they would feel that our Prime Minister is destroying our country. He certainly is discrediting our country in terms of the traditional international reputation we have had as peacekeepers, certainly dismantling those critical institutions that made Canada different. We have seen it as a result of the privatization rampage, the deregulation paranoia that the Prime Minister and his government has imposed upon the people of Canada in an effort to dismantle what makes Canada great.

I want to simply say that those pessimistic about the future which now the newspapers tell us on a daily basis include investors, industrialists, large and small business people, consumers, right across the country. It does not matter where you look now—east and west, north and south, men and women, young people, old people—they all have lost confidence in this government.

In closing, I want to say that we could go on with a long, long list, unfortunately, pointing out how the Prime Minister and this government have failed Canada at this very critical point in our history.

I will leave that to others because it is so woefully evident. It is so obvious. It is so well known. I simply want to say that I think that it is appropriate now that the Conservative backbenchers particularly listen to their constituents, do what their constituents want them to do and ask the Prime Minister to resign, call an election and go to the people.

Some hon. members: Hear, hear.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I want to reflect upon some comments that my colleague and my friend from Kamloops has made. He has made some very good points in terms of the loss of faith and a loss of trust that Canadians across this land from Victoria to St. John's have demonstrated in this government.

I want to tell you a little bit of a story because when my colleague for Kamloops and I were busy way back just prior to two years ago today, during the heat of the election campaign, we were working together during part of that campaign. We tried as candidates at that time to raise the issue with our constituents in the Okanagan—Shuswap and throughout Kamloops that this government was intending to bring down one of the most massive tax grabs in the history of this country. We spent quite a bit of time trying to raise this as a major issue in that election.

When the government replied to those accusations, it said: "What tax? I don't see a tax. Do you see a tax?" Lea and behold after the election was done and over with, and after the free trade debacle was finished, along comes the GST.

My colleague for Kamloops has reiterated the point precisely. It is this duplicity that this government has with respect to its hidden agenda and the duplicitous nature with which it treats Canadians. No wonder he Prime Minister's popularity is lower than that of Mr. Ceaucescu's, and look at what happened to him.

An hon. member: Oh, oh.

Mr. MacWilliam: The comment has often been made in this House that there are no alternatives to the goods and services tax. I want to ask my colleague for Kamloops, with his knowledge of finance and matters financial, whether or not there have been alternatives proposed to this government over the past year with respect to alternatives to the goods and services tax.

Mr. Riis: Mr. Speaker, I want first of all to thank my parliamentary colleague for his thoughtful question and simply say that I do remember during the election campaign asking my Conservative colleague in that election, Russ Cundari, in meeting after meeting if he wanted to say anything about the government's plan to introduce a consumption tax. Don Blenkarn, the chairman of the finance committee, at least had the courage in Toronto to say that that was what the government's plans were. Immediately the Prime Minister and the Minister of Finance jumped on him and said that he did not know what he was talking about and that that was wrong.

I do not remember this being a major issue during the campaign. That is why when the government says it has a mandate from the people of Canada to impose this mean, cruel, brutal tax, that is absolutely false.

Let me, however, respond to the question. The question was: Are there alternatives? I think to be fair, that is where we differ from our friends in the Liberal Party. They are going to set up a committee to examine alternatives to the goods and services tax and to various aspects of tax reform. I think that is their position. We do have an alternative. We have presented it publicly. We

have it as a public document. We have laid out a whole set of elements.

• (1550)

Let me indicate simply one of the critical ones. That is we have torn a page out of President Reagan's book when he introduced in the United States a minimum corporate tax. He noticed, as we do in Canada, that thousands—as a matter of fact the last count in Canada was 69,000 probable corporations—do not pay a single cent in income tax. The American administration said that this was wrong. We are saying this is wrong, and we are saying that we should introduce a minimum corporate tax in this country so that those 69,000 profitable companies pay their fair share.

I think it is wrong, as do all Canadians, when the teller in the Royal Bank pays more income tax in some years than the entire Royal Bank of Canada. We say that is a wrong tax system.

Some hon. members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. Just a few words to explain exactly what is going on. The NDP leader asked that the 20-minute period be shared by two speakers, and I was under the impression that the period of questions and comments would follow the two speeches. I apologize, for I should have recognized a member on the other side, but I will make up for it after the next speech. The hon. member for New Westminster—Burnaby now has the floor for ten minutes.

[*English*]

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, today it is two years since I was first elected, and it is the second anniversary of the re-election of this government on the other side. The motion that we have before us today only confirms what the Canadian people are saying: that it is time that this government stepped down. It is time that this Prime Minister stepped down and that we had an election in this country. That is what Canadians from coast to coast are asking.

On the second anniversary of the re-election of this government, I would like to take a look at its record for women in this country. This government has been an absolute disaster for the women of Canada. After making countless promises during the last election campaign on where it stood on equality for women in Canada, it has done nothing. It has done worse than nothing, Mr. Speaker. It has taken the women of Canada backward.

This government has been an absolute disaster for the women of Canada. Never mind the fact that, as the House leader for the New Democrats said, it cares nothing about public opinion; as evidenced by its introduction of a criminal abortion law which violates the values of the majority of the Canadian people.

After three years with no criminal law on abortion, this government puts it back in the Criminal Code. After three years in which there has been no evidence of an increase in the number of abortions in this country; after three years in which Canadian women have proven themselves to be people of integrity and have proven themselves to be people who can be trusted, this government puts abortion back in the Criminal Code.

Never mind the big promises of the Prime Minister, one of which I will quote from the election campaign. The Prime Minister said that a "Conservative government will not be inhibited by dollar amounts" when it comes to supporting equality-seeking endeavours. This government has not only broken that promise, Mr. Speaker, it shattered the "sacred trust"—words of the Prime Minister—of 52 per cent of the Canadian electorate: the women of Canada.

In the last budget alone, the finance minister proclaimed cuts to women's programs and to women's groups, a $1.6 million cut from the Secretary of State Women's Program; cuts to child care, a $1.75 million cut from Health and Welfare's Child Care Initiative Fund.

By the way, where is that national child care program we keep hearing about? Where is that national child care program we heard about in the 1984 election campaign, the national child care program which we heard about again in the 1988 election campaign? Where is that for the children of this country? Where is the $6.4 billion that was promised over and over again?

Not only that money has disappeared, so has the Prime Minister's credibility disappeared. Salt is being rubbed into the wounds of women through additional cuts to the Canada Assistance Program in Ontario, in Alberta, and in my province of British Columbia. It is important to understand that the Canada Assistance Plan is the current federal-provincial funding mechanism for shelters for battered women. It is also the current funding formula for child care spaces in our country, and this

government has pulled back on that funding in those three provinces. I want to say that children in B.C., Ontario, and Alberta need child care just as much as any child in this country, and that the women in those provinces who are battered and abused need shelters just as badly as the women in other parts of this country.

Then there are cuts in transfer payments to the provinces, and cuts to health and education, all of which spell disaster for women since they are more likely to be poor and in need of services like health care. To make matters worse, the majority of health care workers are women. They are the first to be laid off. They are the most vulnerable salary cutbacks.

We can't forget either—as if we could forget—the misnamed goods and services tax and its impact on women. It is a tax that is no good and does no service for the women of this country. The GST will work against women, who earn on average 64 per cent of what men in this country earn. Women will spend more of their disposable income on the GST than will men because they have a lower disposable income and because the GST is regressive, taxing consumption rather than income.

A single mom with two kids will consequently fork over the same amount of money at the cash register when she buys shoes for her child as the Prime Minister or any of the ministers on that side of the House will. What more could this government do, I wonder, to continue trying to keep women in their place? Well, how about letting unemployment among women jump dramatically in the last month. With one wave of the Tory wand, we have seen 41,000 full-time jobs once held by women vanish into thin air. But the cabinet magicians have been crying since last spring that Canadian women understand the cuts when put "in the context of government-wide expenditure restraints". Why does this government feel that it can impose cutbacks on the people in Canada who are least able to take them? Why are they always on the backs of the poor and of the women of this country?

Canadian women want to know why this restraint, this cost-cutting magic, was not evident in the $17 million loan to strip clubs in Canada, in the $33 million increase in the budget of the Canadian Security Intelligence Service, in the $1.5 million spent on Senate committee room renovations, in the $14 million squandered to advertise a tax that no one in this country wants, in the $2 million thrown into Canada Day romp and pomp festivities, or in the uncalculated amount of money now being spent to prepare Canadians for war and death in the Persian Gulf.

On top of all that, I have been receiving angry calls and letters detailing the government's ignorance and incompetence when it comes to dealing with women. Individual women from Toronto, Ottawa and Vancouver, and groups from Nova Scotia and Winnipeg, have taken great pains to outline the inherent contradictions in eligibility requirements for programs, services and grants.

All of these women and organizations have reached the same conclusion, that this government takes credit for changes which serve only to improve its public profile, and that this government has avoided fulfilling promises by making its proposals too expensive for its principles. This is a sad thing, since its principles for women were never worth much to begin with. Clearly, the women of Canada have lost confidence in this Prime Minister's rag-tag team. Those members of the House with female constituents should therefore support the motion and withdraw their confidence in this government and Prime Minister.

[*Translation*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very proud this afternoon to speak about the leadership of our government and, particularly, of our Prime Minister.

• (1600)

[*English*]

I wanted to comment particularly and then ask a question of the hon. member from New Westminster on her comments about Canadian women, which are clearly and totally NDP philosophically based and have no resemblance to any reality whatsoever.

Since this government came to office we have made considerable progress on behalf of the women of this country. Our Prime Minister would be the first to say that there is a lot more left to do, because he is so

committed to the future of women in Canada. Let me just point, first of all, to the number of women that he has put into leadership positions all across Canada and in every aspect, including in this House, including in this cabinet, including on the bench, including in diplomatic posts.

Let me talk about the $40 million commitment that this government has made to family violence, at the instigation of of the government but particularly under the leadership of the Prime Minister. Let me speak briefly about the commitment to that child care initiative that she was talking about, which was initiated by this government, women who are in minorities, aboriginal women, people who do not fit the moulds, because we have a sensitivity to that.

Let me talk about the Settlement Language Training Program, the first time that a government has come forward to help immigrant women, who are isolated in the home, learn the language and orient themselves to their new country. Let me talk about job training for social assistance recipients, many of whom are women. It was initiated by this government under the Canadian Jobs Strategy and did not exist before. Let me talk about the expansion of job training under the new labour force development strategy, something that never happened for women before in this country.

I think the hon. member should be ashamed of herself when she is talking about the kinds of things that are so important to all Canadian women. Let me point out to her as well that this government would not be doing Canadian women any favours if we allowed the deficit to go through the roof yet again, the way the former government did. Who got hurt first during the recession the last time when interest rates were well up into the 20 per cent range? It was women who got hurt. It is this government and this Prime Minister who have taken leadership in trying to ensure that we do not get into that kind of fiasco in this country again.

It is this government that has ensured, in trying to correct the manufacturers' sales tax the silent killer of jobs in the manufacturing sector that the NDP declares as its constituency that the new system will be sensitive to the poor in this country, who will have the tax, rebated to them.

The hon. member talks on and on. She talks up a good storm, but she does not pay any attention to the facts. I am very proud—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for New Westminster—Burnaby has one minute.

Ms. Black: I am disappointed that the minister was not able to ask a question, Mr. Speaker. She went on to talk about how the Prime Minister has appointed women to positions. It is true that he has appointed more women to high positions in Canada, but let us talk about the promises that have been made, the hollow promises. What about violence against women? Women are still being abused.

Mrs. McDougall: Forty million dollars, is that a joke?

Ms. Black: What about the promises to bring in gun control legislation that this government is now dithering about? Women have gone backward under this government. The wage gap has actually broadened in the last year. Promises on employment equity are unfulfilled; promises on child care are unfulfilled. The promises on tax reform have resulted in tax deform for the women of this country.

The Prime Minister and this government have failed the women of Canada. They have failed them miserably. The minister knows that full well. In her own ministry, there is still discrimination in language training for immigrant women. There have been countless jobs for women lost because of this government's free trade agreement.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The time for questions and comments has expired. Resuming debate. The Minister of Fisheries and Oceans.

Hon. Bernard Valcourt (Minister of Fisheries and Oceans): Mr. Speaker, I would say to the parliamentary leader that he can do like most of his colleagues who are not in the House—go for a walk.

Mr. Speaker, what I just heard was rather pathetic. Can you imagine, an opposition party whose leader claims to be the most popular leader in Canada. Twenty-four Sussex is not very far, here comes Audrey! And here they are with this kind of motion when Canadians have so many problems and poor people are really feeling the pinch. But the socialists—what with their nice ties, beautiful dresses and pretty necklaces—choose to intro-

duce a motion to the effect that the Prime Minister, having lost the confidence of the House, should resign and immediately call an election.

[*English*]

The cry among political jackals of course is for an election. I see this motion as a tribute to the Prime Minister because these people behave sometimes as if they do not have much in there; they are not that stupid.

Mr. Gustafson: Don't give them too much credit.

Mr. Valcourt: We must give them credit because today, they have been out in the country terrorizing people, lying to people again like they did during the free trade debate, to which the hon. member for Kamloops referred. They did that on the GST. The people out there are frightened. They think, the *socialistes en cravates*, the NDPers, that this time, with this perceived misfortune of the Prime Minister, maybe they can bank on it and maybe the people will vote against him this time.

Today is the second anniversary of the election of this government. Those *socialistes en cravates*, the NDPers who are so fond of the taxpayer's money which we have to save, want to call an election. Do you know why? Because if we have it right now, the perceived unpopularity of the Prime Minister would maybe give them a chance.

I have news for them. They count on the ignorance of people. They exploit the ignorance of people. They go out and lie to the people. They do that day after day after day, and they never learn. There is something about Canadians that these people do not seem to realize. It is that there is a profound wisdom in Canada. Canadians have a profound wisdom. It is a wisdom that always seems—

Mr. Samson: Call an election. You will find out how smart they are.

[*Translation*]

Mr. Valcourt: Shut up and let me talk.

[*English*]

There is a profound wisdom, as I was saying, about Canadians. It seems they always settle down when the time comes to choose their leader. Canadians do that.

The NDPers have nothing better to do than to ask for an election and for the Prime Minister to resign. The Prime Minister will not resign, I am sure, because he is not a weakling socialist. He is a man with a vision for Canada. He is a man with courage, and he is a man who believes in Canadians. The Prime Minister believes in Canada. The Prime Minister believes in Canadian people, contrary to those people.

[*Translation*]

Mr. Speaker, those people have absolutely no confidence in Canadians.

Mr. Samson: That's your government they don't trust.

Mr. Valcourt: They are the same people who, during the election campaign of 1988 on free trade, were travelling around Canada trying to convince people that our poor senior citizens would lose their pensions because of free trade.

An hon. member: That's terrible!

Mr. Valcourt: They went all around Canada saying that and today, they use the same kind of strategy on the Goods and Services Tax, the GST.

[*English*]

Isn't that terrible? I think we made a mistake, and I will admit to it. We should have done it the Liberal and the NDP way. We should have gone out and told Canadians to listen. For Canadians to understand the GST, we should have first gone out and told the people that Allan MacEachen was wrong when he was the Minister of Finance. They would say: "What? Mr. MacEachen was wrong? It is impossible, Senator MacEachen being wrong." After all, this is the Minister of Finance who came into this House and said that Canada would have a deficit of $11 billion. Some 12 months later that deficit was at $23 billion. At that time Allan MacEachen was standing in the House and commenting on the manufacturers' sales tax. He said it was awful, that it was bad, that it was bad for Canadian industry. Mr. MacEachen said it. I did not. We would say to people that Allan was wrong. "The manufacturers' sales tax is great", say those *socialistes en cravate*, those socialists in neckties. Do you know what they are protecting? It is the manufacturers' sales tax. Canadians must know this. Do you know what they are defending? It is a tax regime that has and is killing many jobs in this country.

• (1610)

Mrs. Maheu: Spit it out, Bernie.

Mr. Valcourt: Whenever the lady who is yelling over there buys a tube of lipstick, if she wears lipstick, there is no federal sales tax on it. Is there? Is there a federal sales tax on lipstick? Tell me. I don't wear any. I am going to tell her one thing, that when she and all ladies of Canada buy lipstick they pay 22 cents for the hidden manufacturers' sales tax. It goes right to the federal government to pay great members of Parliament on both sides of the House and to finance Canada. This tax is hidden.

There are 22,000 exceptions to this tax. This tax is confusing and stupid. Do you know what members of the Liberal Party are protecting? It is protecting *des bananes vertes*. Under that system a green banana is not taxable, but if it turns yellow it is. That is what they are protecting, and they laugh. It is not funny. It is the truth. That is why we want to change the tax system we have today:

[*Translation*]

Green bananas, yellow bananas.

Mr. Speaker, I don't think these people will be able to go on assuming Canadians are as stupid as they would like them to be and believe them to be, because these people are not stupid. You know, Prime Minister Mulroney is someone, and I said this before, who had a vision of this country. He had firm convictions. And today—

An hon. member: He has guts.

Mr. Valcourt: Yes, he has guts, and many Canadians are like him, because you see, I don't think Canada was built thanks to 20 years under their government. They talk about polls. They like talking about polls. The Liberals and the tie-wearing socialists keep mentioning the polls. If we wanted to govern by polls, we would probably be very high in the ratings, up there next to Audrey, but the country would be bankrupt, because for 20 years, we were governed— I am not that old, but I belong to a generation of Canadians who learned something from the previous Liberal government. It doesn't matter what you earn during your life. It doesn't matter what you earn in a week. What matters is that you can go and borrow money and don't have to worry about paying it back. Your children will do that for you.

An hon. member: That's true.

Mr. Valcourt: It was demonstrated by our Liberal predecessors.

[*English*]

Today the hon. member for Kamloops rose on this motion, and I made a few notes on what he said. It was horrible, but he said those things. He talked about the most unpopular. He talked about losing faith. He talked about free trade. He talked about debt and deficits.

This new breed of politicians, those *socialistes en cravate*, the great NDPers, those sanctimonious about everything, how can they stand in this House and talk to Canadians as did the member for Kamloops who blamed the government for not cutting the deficit? Then the member from Westminster stood and told Canadians that it was awful we had cut transfer payments to provinces, we had cut Canadians plans and that we had cut this and that. What the hell do they take Canadians for? Stupid? I do not think they are. That is why they would like an election tomorrow morning because—

[*Translation*]

—they spread a climate of fear in this country.

[*English*]

But again they miss it. Canadians are not stupid and they will see it when the election comes.

I remember two years ago to this very day the *socialistes en cravate* and the Grits had been out for two months telling all sorts of lies to Canadians. They said that the hospitals were going to close, the kids were going to be drafted by the U.S. Army, it was going to be terrible. Nothing like that happened because it was straight lies.

In the next election, the one that you will wish today that you never called for, you will get it. And when you get it, the people, Canadians, men and women, working people, will look at the record. They will look at the GST. They talk about the GST as if it was to harm Canadians. They want Canadians from coast to coast to believe that.

My colleague, the Minister of Employment and Immigration, my caucus colleagues and the cabinet, sit for hours every day trying to find out how we can harm Canadians. According to these people, that is the goal of the government. How can we harm Canadians? This is what we want, obviously, according to them. But I do not

think that Canadians believe that. They have seen tough times.

I have learned something in my short years in politics and in Parliament, Mr. Speaker. There is a fundamental rule in government. If the solution is easy, usually it is the wrong one. If it is a difficult decision, then you need courage, and that is probably the right one. Most of the time it works. These people on the other side, they like the easy stuff.

An hon. member: No courage.

Mr. Valcourt: Of course, because they do not have any courage. We have just experienced 20 years of that. They took a country without a debt and in 15 years drove the debt to $200 billion. Now, they have the gall—and the NDP too, the member from Kamloops—to say that we have not reduced the deficit since 1984. What they do not tell Canadians, however, is that 80 per cent of the increase in the debt was money we had to borrow to pay the interest on the debt that we inherited from Allan MacEachen and company.

Some hon. members: Shame.

Mr. Valcourt: That is the exact truth. They talk about the deficit. They have the gall to stand up in this House and talk about not reducing the deficit. Canadians would want to understand this. People pay too much tax. I agree with that. We all pay too much tax. But, then, that money that we receive—

Mr. Fisher: Stop treating them like that.

Mr. Valcourt: Mr. Speaker, I am sure they will have a chance. But that is part of the Liberal strategy too. They do not want the people to know. So when you speak in the House they try to interrupt you. Is that not terrible? Well, if what I am saying is not true, then let me speak, let me have my few minutes and then take your time when you have a chance.

Now, what was I saying about the deficit? Yes, the revenue. The taxes the people send here. All the taxes that Canadians pay, and they pay a lot, that money comes here. Before we came here all the money that Canadians paid would come in and then the government, the great Liberal government, would spend all that money of Canadian men and women, of working people, and they would borrow $16 billion more to do all the things that these people, the *socialistes en cravate* forced them to do. You see, to be popular, you have to throw money at all the problems. To be popular, you have to do what the Liberals did for 16 years. You have a problem. I have no solution. But, I will throw money at it. That is how they governed Canada.

• (1620)

It took us six years to take that $16 billion deficit in our ordinary account and turn it into a $9 billion surplus. That is a $25 billion turnaround. That is not in the polls to which the member for Kamloops referred. The polls and the media in their *grandeur* would not report these facts. These are real facts. Canadians have saved money in terms of the way it is being administered.

Now it is fair for those people to say, "Well, you say now, Valcourt, that you have a $9 billion surplus in the ordinary account, a $9 billion surplus, and you cut the poor, the women's programs. You cut this and you cut that". What they do not say to Canadians, the men and women who work and their children who are coming behind, is that we need $30 billion a year just to pay the interest on the debt that we have, the debt that the great Allan MacEachen gave us.

An hon. member: Jean Chrétien.

Mr. Valcourt: The Jean Chrétien's of this world—you know the guy who is running in Beauséjour? The leader of the Liberal Party.

[*Translation*]

The little guy from Shawinigan is running in New Brunswick, in Acadian country.

Mr. Samson: He isn't here yet!

Mr. Valcourt: No, he isn't. But he is on his way. We want him here. He should be here.

An hon. member: Maybe.

Mr. Valcourt: And that is what people are complaining about.

I remember, when Prime Minister Mulroney won the last election, I don't think he—

Mr. Gauthier: He bought that election.

Mr. Valcourt: They say he bought it. Listen to that, Canadians! That is what the Liberal Party thinks Canadians are like—and I want that to be on the record—Canadians are people whose votes can be bought! Well I don't think so, because I believe that Canadians are intelligent people. When faced with an easy solution,

taunted by the tie-wearing socialists and the Liberals, they may be inclined— but when they really think about it, they will always come down on the side of common sense.

[*English*]

That is why, Mr. Speaker, I am really optimistic about the future of this government.

An hon. member: Hear, hear.

Mr. Valcourt: And I am optimistic about the future of this country.

An hon. member: Hear, hear.

Mr. Valcourt: The member who referred to the Prime Minister of Canada in terms of being a Ceausescu, that was a new high at being low.

An hon. member: That was the member for Okanagan-Shuswap.

Mr. Valcourt: But that is the kind of politicians they are, *les socialistes en cravate*.

The Prime Minister is the man determined to make Canada a great country. He is determined to provide the youth of Canada with a bright future. With the support of Canadians from coast to coast, and with members here today who will vote down that motion of the *socialistes en cravate*—

[*Translation*]

— we are going to win and we will give Canadians the kind of country they need!

Some hon. members: Hear, hear.

The Acting Speaker (Mr. DeBlois): Questions and comments, for 10 minutes. The hon. member for Ottawa South.

Mr. John Manley (Ottawa South): Mr. Speaker, I have a very simple question for the fisheries minister.

[*English*]

He is obviously quite a supporter of the goods and services tax. I would like him, if he could just imagine with me, the scene that will ensue after this tax is implemented. He has noted that Canadians are intelligent enough to have pointed out that there are some real problems with the implementation of this proposed tax.

He can imagine this scene with me. He can choose any province in Canada but Alberta where there is no existing retail sales tax at the provincial level. We will go into a little corner store, maybe it is a 7-Eleven or a Mac's Milk or something, and we will choose some items off the shelves. We will take them to the checkout counter. You know what those stores are like. In my constituency, the check-out person is usually about 16 years old, first job, could be male or female, having a tough time with mathematics in high school. This is the job.

An hon. member: Oh, oh.

An hon. member: That is a put-down.

Mr. Manley: Here is the test. This person brings in this product and says to the check-out person, "Here is what I want to buy." The check-out clerk has to figure out which of four categories this item is in. Is it taxable under the GST and taxable under the retail sales tax? Or is it exempt under the GST or zero rated but taxable under the retail sales tax? Or is it taxable under both the GST and the retail sales tax? Or is it exempt under both the GST and the retail sales tax? Which of those four categories does this item fit in?

That being figured out, the next job is to calculate the total price to be paid for the item. One takes the price, adds 7 per cent GST, then adds the retail sales tax, which in Ontario, for example, is 8 per cent, in order to come up with the total price. But the customer happens to have in his pocket a discount coupon that he collected out of his local newspaper. Now he has a problem. In some of the provinces the retail sales tax is calculated before the discount is taken off. In others it is calculated after the discount is taken off. With the GST it is after the discount is taken off. The clerk now has to calculate the price, minus the discount, plus the GST, then add the discount back because then the retail sales tax has to be calculated. Then the discount is taken off again at the end.

With our 16-year old high school student clerk in the store doing his or her first job, I would like to know what the minister advises that person to do. Does he advise the clerk to get a different job, perhaps in a bank? While he is answering that, perhaps he could explain why, if the manufacturers' sales tax is so bad, the government wanted to bring in this complicated system of tax. Why did the government raise the manufacturer's sales tax from 9 per cent, which it was when the government came

into office, to 13.5 per cent? Was it that it really was not that bad after all?

Mr. Valcourt: Mr. Speaker, let me tell the hon. member something.

First, it is abundantly clear to me why this member would not be in business earning a living. If he pictures the real world as he just did, I could answer with the same rhetoric. If I thought that Canadians were as stupid as he does—

Mr. Gauthier: You're too stupid. You can't answer the question.

Some hon. members: Oh, oh.

Mr. Valcourt: That is the Liberal way. Shut them up. Don't let them speak. It is the Liberal way.

I could answer back. The member says the first step is which category, one, two, three or four? Today it is much harder because one has to figure out at the cash counter which of the 22,000 exemptions may be applicable.

Mr. Gauthier: That's nonsense.

Mr. Valcourt: It is as much nonsense as the nonsense that he is spouting today. Why would the chambers of commerce—are these people—

[*Translation*]

Mr. Speaker, they remind me —

The Acting Speaker (Mr. DeBlois): I would appreciate the co-operation of both sides of the House, and I would ask the minister to finish answering the question. The Minister of Fisheries and Oceans.

Mr. Valcourt: Mr. Speaker, some people just don't understand, and that's a fact. Some people don't and won't understand. It's easy to try and fool people. The Liberals are past masters at that, and you are going to pay for it, because the kind of rhetoric Canadians are hearing today is the same as they heard in 1988, before the election campaign. During the campaign on free trade, they said this was going to be a terrible thing and that the sun would no longer rise! All I can say is that on January 1, people will realize that the poor—people with an income of less than $30,000—will go to the store and have a little more money in their pockets to pay for their groceries. It won't cost them as much. That is the answer to his question, Mr. Speaker.

• (1630)

[*English*]

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I had not imagined that our motion would precipitate such evident panic and hysteria.

Some hon. members: Oh, oh.

Mr. McCurdy: But there you have it. In panic he flees the room, the hon. minister of fisheries.

I just want to say this. Nobody on this side ever accused Canadians of being stupid or assumed that they were, not even the 15 per cent who support the government.

I suppose, Mr. Speaker, you will recognize me as one of those tie-wearing New Democrats. We do not take the same position as leather-jacket-wearing motor cycle macho Conservatives who would drive over Canadians no matter what they may want.

I think the minister suffers a crude and uncomprehending understanding of the nature of this country. The Canadian people are angry. The Prime Minister said, and I come close to quoting him, that Canadians no longer trust politicians. He said the people believe that politicians no longer listen. It is clear that the politician about whom he was talking was himself. That was the politician who has refused to listen to the people.

My question to the minister of fisheries—which I suspect he will not answer because I do not see him there to answer the question—is why is it not possible for the government party to listen to Canadians and to make no assumptions about who is stupid and who is not. Even those whom he thinks are really stupid nevertheless have particular aspirations and wishes for their country and for themselves. I think that the thing that the government can do, and I would ask why his government does not do it, is to resign and allow the people of Canada, none of them stupid, to have a voice in their future. If that happens, I suspect that future will be in the hands of those of us on this side of the House who wear ties.

Mr. Fulton: I rise on a point of order, Mr. Speaker. I would like to hear from you, Mr. Speaker, about the propriety of a minister who stood in the House and dished out filthy insults for 30 minutes and then left during the designated period for questions and answers.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. Once more, this is a matter of opinion and not a point of order.

Before recognizing the hon. member for Cape Breton—Richmond East, I would appreciate it if he would tell me whether his party has opted for one 20-minute speech or two 10-minute speeches.

[*English*]

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I think you might find unanimous consent by all members of Parliament that I would be given the privilege of speaking perhaps for 60 minutes, as opposed to 20. I know the ministers opposite would like to hear my remarks.

Some hon. members: Oh, oh.

Mr. Dingwall: Mr. Speaker, I will be speaking for the full allotment of 20 minutes and will then entertain questions thereafter.

I know the point of order raised by my colleague from the New Democratic Party was an opinion that was voiced by him singly, but I can assure him that members on this side of the House share the pith and substance of that comment as it relates to the Minister of Fisheries and Oceans who has now departed the Chamber.

The 1990s and the century beyond are taking shape and Canada is falling behind. Today, more than ever, Canadians need a vision of what their country can become. Today Canadians expect of their political leaders, not only policies and programs, but an enabling vision that places issues and interest in a greater scheme of things and binds together the lives of individual citizens. They are demanding honest, ethical and law abiding leadership. To that end, the Prime Minister and his Conservative government have failed.

This government has broken faith with the Canadian people and it has gambled recklessly with the country's fate and its future.

The policies and practices of this government are policies that punish provinces and working people, deny education, destroy jobs, and diminish opportunities.

It is a government that presides over people who live on the edge of economic fear or who are experiencing the full and painful realization of those fears. Homeless families with young children are pulling heart strings in every town and city across this land. Men and women who have good jobs today are not sure they will be working tomorrow. Young couples are losing hope that they will ever have a home of their own in the foreseeable future.

The unemployed parent, the hungry child, the native Canadian living in poverty, a closed factory, the local food bank—these are all symbols of the cold heart of conservatism.

Rarely has a government in Canada been given such an historic opportunity to demonstrate vision and rarely has the government failed so badly.

Canadians are being penalized by high interest rates and punished by higher and higher taxes. The Prime Minister of this country and his government are Canada's worst dream come true.

Two years ago we debated at great length the contents of a free trade agreement. My colleagues on this side of the House, as well as Canadians across the country, have shared with one another the facts of the consummation of that agreement.

It was said in that agreement that free trade will help to improve Canada's trade performance. The evidence is contrary. Canada's merchandise trade deficit in October 1989 was the first since 1976. In 1989 Canada posted record deficits in trade, services, and investment income in the current account.

Do you remember, Mr. Speaker, the promise of jobs, jobs, jobs? While 250,000 jobs were created in 1989, this is 100,000 jobs fewer than what was created in 1988.

It was said the free trade agreement will secure access for Canadian exports to the U.S. market. U.S. harassment of Canadian exports continues with various actions taken against Canadian exports of pork, fish, lobster, softwood lumber, yoghurt and ice cream, wheat, poultry, steel, sugar, limousines, raspberries, and heavy equipment.

The free trade agreement will allow, they said, the maintenance and enhancement of social programs and regional development programs for Canada and for Canadians. The evidence is the following.

Deep spending cuts were inflicted on the following budgets: the unemployment insurance program, $1.9 billion; regional development offices, a 25 per cent cut; child care, a promised $5.4 billion program was dropped; transfers to the provinces for health care and post-secondary education were further deindexed, $3 billion over five years; the clawback of old age pensions and family allowances began, a $500 million tax increase annually; and VIA Rail was gutted, $500 million over five years. It goes on.

The government, it said, in the free trade agreement will provide massive adjustment programs for Canadians who lose their jobs due to the free trade agreement. That was one of its corner-stones. Here is the evidence. Despite the de Grandpré Commission report which called for the government to commit another $200 million to training through the UI program, an additional $300 million to the skills shortage training program, and a special $3 billion retraining tax on business to fund job training, the Government of Canada cut its UI contribution by $1.9 billion, cut unemployment benefits for the unemployed, raised UI premiums for employees and employers, and no adjustment programs have been established to deal with the thousands of lay-offs occurring due to plant closures. That was the free trade agreement and that is the clear unequivocal evidence.

The Prime Minister, when it came to children in poverty, said the following in 1983 in his book. I think it should be on the record. The Prime Minister stated:

• (1640)

> And then there is what I call the dimension of tenderness. It is that vital responsibility of government to demonstrate compassion for the needy and assistance for the disadvantaged, the equalization of opportunity for all, and elevated sense of social responsibility that must continue to find favour with every thoughtful Canadian. Of all the challenges of government, no cause is more noble, no obligation more sacred."

That was in 1983. We saw that statement again and again in subsequent throne speeches and in subsequent budgets of the Minister of Finance, but what of the evidence? The evidence is clear, unequivocal and accepted by all except members opposite. More than 1 million Canadian children live in poverty, up 120,000 since 1980, and over 60 per cent of children in single parent families are poor. The relative poverty rate of children in Canada is about 13.4 per cent. That is nearly twice as high as the 7.1 per cent rate in the United Kingdom and more than four times that in Sweden and west Germany.

Just the other day, there was an article in *The Toronto Star* about the poverty in the city of Montreal. It stated:

> Statistics Canada calculates that one in four people on the Island of Montreal is living in poverty. In Metro Toronto, by comparison, the figures is about one in eight. The face of poverty is not hard to find. It's virtually impossible to walk downtown without being asked repeatedly for money from panhandlers.

It is a very reputable report, Mr. Speaker, and it goes on:

> An estimated 15,000 people are homeless, 4,000 of whom sleep on the street each night while the rest find temporary shelter with friends or relatives.

Yes, we heard, we saw, and we listened to the commitment in terms of the Prime Minister and children on poverty. The evidence is clear. There is no national child care program.

What has it done with regard to old age security in terms of the clawback, the cutting of VIA Rail, and of course the unemployment rate which has ravished high in many regions of the country, including my own constituency.

Perhaps the most telling example of the hypocrisy and the lack of actions by the government opposite comes from a lady who wrote a book called *Women and Children Last*. I want to quote it for you, Mr. Speaker:

> A social worker at the Izaak Walton Killam Children's Hospital has seen single mothers bringing their babies into the emergency room with diarrhea and vomiting. They tell the doctors who examine their babies they they have been feeding them diluted whole milk or Similac diluted at twice the normal amount. Their welfare cheques were insufficient to permit them to buy Similac, which is much more costly than milk, or to buy enough of it. A month's supply of Similac costs around $60. These mothers are not aware that their efforts to stretch an inadequate income have led to their babies' illnesses. "They just blanch at the thought of having to give the proper amount of Similac because of the cost."

Is there any clear evidence that the foregoing words opposite mean absolutely nothing to millions of Canadians across the country when the evidence is before us all, documented and known by the agencies that service these people?

What better evidence do we have today than the Canadian economy? Interest rates at an alarming rate are causing havoc among small and medium-sized businesses. The dollar is very high, affecting our exports to countries abroad. Inflation is creeping up at a quickened pace and, yes, there is high unemployment in the poorer regions of the country.

This is only to find that a government committed to an agenda of the Prime Minister will turn around and attempt to implement the provisions of the GST, the goods and services tax.

After two years since the last election and the four before that for a total of six, there is much to be said, but the unity of our country is in real danger. There are reasons for that, clear unequivocal reasons. The Prime Minister, in his macho way, has driven Canadians to the brink. I refer to the free trade debate. We were told one thing and now the opposite has occurred. We saw clear evidence where big business in co-operation with government of the day bought the election in 1988. There is clear evidence of that.

We had Meech Lake. I am not commenting on the substance of Meech Lake, but I am commenting on the process. Canadians were disgusted with the Prime Minister who rolled the dice, and Canada as a sovereign nation has felt the effects of that blow ever since.

An hon. member: We're the losers.

Mr. Dingwall: What about the Oka situation, when a Prime Minister of this country neglects, because of lack of caring, sends in the army without having a full and complete debate on the floor of the House of Commons?

Of course, another example which was so vivid for many of us was the Persian Gulf situation. On November 11, I had a rare opportunity to visit with one of the Legions in my constituency. The guest speaker was a gentleman who lost two brothers in the Second World War and another in the Korean War. He said: "I was only a child when that occurred and I could not understand or appreciate the anguish of my parents. But as of August this year, I now know what that anguish was all about, because my eldest son has now gone to the Persian Gulf". We were denied by the Prime Minister and the Conservative majority opposite of debating that decision on the floor of the House of Commons.

Some hon. members: Shame.

Mr. Dingwall: Parliament was not recalled. If that is not Rambo, macho tactics by a Conservative government, I do not know what is. The answers to the unity questions of this country, and I say this sincerely, I regret to say will now not be found in the appointment of a bumbling, eccentric bureaucrat and his citizens' forum. It will not be. We have clear evidence which would lead any reasonable individual to concur with my conclusion.

When historians come to look at the tail end of the century that Laurier said would belong to Canada, they are likely to be struck by the extent of the damage done to the social fabric and political institutions of the country by this government.

The Prime Minister has broken faith with the Canadian people and Canadians have lost hope and faith in themselves. It is a government that fudged the truth about free trade, trains, taxes, family allowances and old age pensions. It is a government that rolled the dice; a government that gambled recklessly on the country's political future.

My leader, the Hon. Jean Chrétien, and the Liberal Party are committed to a better government with a vision of a fair, just and a compassionate nation.

Some hon. members: Oh, oh.

Mr. Dingwall: Our goals include the breaking of the poverty barrier for one million Canadian families; putting a decent child care system in place; providing every young Canadian with adequate training for a job; developing a fairer immigration policy; ensuring our farmers and our fishermen stay in business; building new homes for medium and low income families; transforming our industries to make them competitive in the new age of technology; guaranteeing our growing senior citizens population decent, healthful lives; and keeping Canada and Canadians together.

The Minister of Fisheries and Oceans said that Canadians are not stupid. I concur with that. Canadians are not stupid. That is why, today, they are at 15 per cent in the polls in some regions of this country and that is why in some regions of the country, they are much lower because they know that when it comes to children and poverty, free trade, the Canadian economy and the unity of this country, they may mouth the rhetorical expressions of individuals who believe in a strong and united Canada, but their actions are completely opposite. They

have failed the Canadian people. They have failed this institution. They lack the moral authority to govern.

• (1650)

I concur on behalf of my party and its members with the motion put forward by the House leader of the New Democratic Party today in this Chamber. We would invite at the first possible opportunity an election in this country to debate the record of this government. If they are so confident of their case, allow them to take their case to the highest court in the land, and the highest court in the land is the people of this country.

I say to this Prime Minister and to those Conservative members opposite, put your money where your mouth is, let's go to the polls and let the people decide.

Mr. Murray W. Dorin (Edmonton Northwest): Mr. Speaker, the hon. member who just spoke talked about hypocrisy and lack of action. Frankly, I have rarely heard such a speech that was laden with so much of it.

I would like to ask him a question and I would like to focus this way, because he is suggesting there should be an election. I would say to him that at a proper time there will be and perhaps at that time his party would be willing to unveil just what their alternative would be if they were so fortunate as to win the election, which I doubt will happen.

In 1937 the Liberals appointed a royal commission, the Rowell–Sirois commission. It reported in 1940, criticizing the pyramiding resulting from the imposition of the existing manufacturers' sales tax and called for change.

In 1955, the Liberal government of the day appointed a sales tax committee to study the commodity taxes. In 1956, again it appointed another committee. A later government in 1962 appointed a royal commission to inquire into and report upon the incidents and effects of taxation and to recommend improvements. In 1966, it reported, and said that there should be an alternative to the existing federal sales tax. I quote from *Hansard* of 1974 as follows:

> Also, the reduction of sales tax on building materials should remind us that when the legislation covering reform of the personal and corporate income tax became law two years ago, it was stated that the next stage of tax reform would deal with federal sales and excise taxes. Nothing has been heard about the status of that review since then, and I suggest it is time we had a report on what is happening with it. The fact is, however, that a major change was made on what is essentially an ad hoc basis, in our sales tax system in the current budget. This is a strong argument for the completion of this review and the publication by the government of proposals for public discussion.

That was the hon. member for Windsor West in 1974. Finally, in 1975, as part of the federal budget, the then Minister of Finance, Mr. Turner at the time, introduced a discussion paper. That discussion paper had a good deal to say about value added taxes. I will not read it all here now. It talked about value added taxes and what should be done with the existing federal sales tax.

In June 1977 the federal government directed that further study was in order. It appointed the commodity tax review group, an assortment of selected bureaucrats in the Departments of National Revenue and Finance.

The Liberals have paid for royal commissions, bureaucratic reports and public study into the flaws of the tax for 50 years. These studies repeatedly recommended changes, but no action. Finally, in 1982, the government was going to do something. Price–Waterhouse excitedly reported that the long awaited changes to the federal tax system as well as some changes in excise taxes were announced by then Finance Minister Allan MacEachen in his budget. Then Finance Minister MacEachen, of course, we know where he is now.

My question to the member is when will he and his party tell us just what exactly they would suggest if there was an election?

An hon. member: Gas at 18 cents a gallon.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Ottawa—Vanier, on a point of order.

Mr. Gauthier: Mr. Speaker, on a point of order. The Standing Orders provide for 10 minutes of questions and comments. Today, I noticed that the Conservative members in particular are taking up the entire 10-minute period, so there is no time to answer questions. Could we ask the hon. member what his question is so that we can answer it?

An hon. member: Exactly!

The Acting Speaker (Mr. DeBlois): The question was just asked. The Opposition Whip.

[*English*]

Mr. Dingwall: Mr. Speaker, I will attempt to respond to that tirade of information as put forward by the hon. member, but no amount of rhetorical comments or references to documentations about previous committees, standing committees, or previous governments which may have looked at tax reform will be able to convince members on this side of the House, but more important, Canadians, that the GST is a good tax. We believe it is a bad tax and we should not proceed with it. That is why the Liberal Party of Canada in the Senate and in the House of Commons is opposed to the goods and services tax.

Specifically with regard to the hon. member's question, it was he and the Prime Minister who talked about the great reconciliation of federal and provincial governments. They cannot even get their Tory cousins to support the GST, Mr. Speaker. What nonsense, what hypocrisy by the hon. member opposite. He should know better than to stand in his place and ask such a ridiculous, ill-founded, illogical, stupid question.

Mrs. Catterall: Hear, hear.

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, I would like to ask a very simple short question.

I wonder if the hon. member would also include in his comment the former Liberal finance committee critic. Would he also consider him a bumbling eccentric?

Also, would the hon. member advise the House if, in his view and in his own words, Mr. Keith Spicer was in fact a bumbling, eccentric bureaucrat when the Liberal government appointed him language commissioner?

Mr. Dingwall: Mr. Speaker, with regard to the last question which was raised by the hon. member I think the answer, I regret to say, will now not be found in the appointment of a bumbling eccentric bureaucrat in his citizens' forum. I stand by that, Mr. Speaker.

We have had all sorts of evidence. We do not know where the citizens' forum is going. We hear one day they are not going to go into Quebec, then they may go into Quebec. We may have northerners. We may not have northerners. We do not know the terms of reference, the terms of reference are changed. That is what I have said, Mr. Speaker, and I stand by that statement.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I listened with a great deal of interest to my friend's comments. I would ask him to comment on the problems facing a community like mine in Surrey where in the last several weeks the unemployment rate has gone up so that we have a thousand new claimants a week, where the number of people using the food bank has gone up by 200 families a month since August. There are now 5,000 families in Surrey dependent on the food bank—2,000 children dependent on the food bank—where the school board is being forced to look at feeding hungry children. People came to me over the weekend and said: "I have been laid off. I have worked at the same wood industry company for 15 years and I am going to lose my home".

Mr. MacDougall: That's the environmentalists, my friend.

Mr. Karpoff: Why say environmentalists? You can depend on this: It is your free trade deal, your high interest rates, and your high dollar that is driving the lumber industry out of business in British Columbia. The lumber industry is being driven out of business because of the Tory economic policies.

Mothers came and said to me: "My rent has gone from $600 a month to $900 a month and I do not have enough money left to feed my children". Their only comment was: "What are we going to do? How are we going to survive this Tory recession?"

It feels the same as the recession brought on by the Liberals in 1981-1982.

Mr. Dingwall: Mr. Speaker, I concur with the former part of the hon. member's question. I thought he was going to go on and talk about the various job losses which have resulted from the free trade agreement. For his information and that of members of the House, I thought he was going to talk about Gillette in Montreal which closed and there were 590 jobs lost. There was Germain, in Lachine, Quebec, where 50 jobs were lost; Pittsburgh Paint in Toronto, 139 jobs were lost; Weston Foods in Longueuil, Quebec, 360 jobs were lost; and Northern Telecom, in Aylmer, Quebec, 680 jobs were lost.

• (1700)

I am sure the hon. member has not checked with his colleague from the province of Quebec. We do not know where he stands on any of the issues. Let the hon. member be very clear in his own mind that the free trade agreement has not only caused great problems for the people of British Columbia, but it has caused great problems for all Canadians, including parts of Atlantic Canada, Ontario, as well as the province of Quebec.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. It is now the New Democratic Party's turn. Its members have agreed to split their 20 minutes in two 10-minute speeches.

[*English*]

I recognize the hon. member for Skeena for 10 minutes.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to participate in the debate. The non-confidence motion in the Prime Minister and the government says:

> That this House express its loss of confidence in the Prime Minister—

It is quite clear from what we heard in terms of the lead speech on the government side by the Minister of Fisheries and Oceans, if he is the heaviest hitter out of the largest cabinet in Canadian history and if that was the speech that Canadians are to read and listen to as to why that Prime Minister and that party should be supported and stay in government, it is just not possible. The buffoonery and the insults that were tossed around this House by the minister of fisheries indicates that even in cabinet there is no longer any confidence in the Prime Minister. I am sure that when the Prime Minister reads that speech he will be somewhat less than amused to see that is what the cabinet decided to do and to put up in terms of support for him.

This is the same Prime Minister whose entire legacy from his years in the private sector, particularly with Iron Ore, was to leave Schefferville a ghost town. That seems to be the growing legacy that my colleagues have touched on here today: growing unemployment, growing bankruptcies, growing losses in the manufacturing sector, and growing losses in the fisheries sector. A thousand farmers who lost their farms in the first six months of this year in Saskatchewan alone. Whether it is the free trade agreement, how he and his cabinet have handled GATT matters, the high dollar, the rising interest rates or the real concerns of the people of this country, the Prime Minister is pursuing a pathetic policy and vision.

I would like to spend sometime on the environment. This is a government, clearly from its record, that puts economic considerations ahead of the environment. It puts political considerations ahead of the environment and always puts profit considerations ahead of the environment. This is leading to the accelerated destruction of Canada's nature and well-being and the hope and vision of young people about this marvellous part of the globe.

Despite the Prime Minister's endorsation of the Brundtland report at the United Nations itself and his own back-patting and back-patting of his colleagues under the pretence of implementing sustainable development, I think one will find from my remarks that I can put all of that to a lie, to use the minister of fisheries, language.

The Prime Minister and the Tory party have proven to be true believers in the philosophy that the environment is free and that resource exploitation is unlimited. They have failed to understand that it is no longer the limits to growth; it is now the growth of limits world-wide. Tragically Canada's environment has been substantially damaged by decisions which pay only lip service to the true cost accounting of projects large and small.

In the Atlantic part of Canada the fisheries resource has been overexploited, not by the inshore fishermen, not by those from Newfoundland, New Brunswick or Nova Scotia, or even those few from Prince Edward Island and the province of Quebec. What has happened is that irresponsible political and management decisions have tossed thousands of fishermen and shore workers out of work.

On the B.C. coast—it is too bad the Minister of Fisheries and Oceans chose to leave before Question Period was over—there have been forced closures in terms of prawn, shrimp, crab, abalone, clams, and now several species of not only ground fish but anadromous species due to both pollution and mismanagement.

Hibernia has been approved without any serious environmental assessment, a project that poses a severe risk to the existing Atlantic fishery, a project with $2.7 billion in federal support to subsidize the delivery of oil not to Canadians but solely to the United States. Not a drop of that oil will go to Newfoundland. Not a drop of that oil will ever see the inside of a consumer's home or vehicle in this country.

The forests of every maritime province and in fact of every province in this country are in crisis from overcutting, inadequate replanting, and inadequate protection. The government and the Minister of State for Forestry produced the document that they love to hand around in British Columbia, across the prairies, throughout Ontario and in maritime Canada called *Green Ghetto*, attacking the Liberals for spending less than 10 cents out of every dollar in revenue from Canada's largest industry and largest employer and putting it back into the forests. The Minister of State for Forestry should be ashamed. They are now spending less than the Liberals did. They are spending less than 10 cents out of every dollar raised.

This is the government that is now spending more capital on forest projects outside Canada than inside Canada. That is an interesting form of largesse for the largest wood exporter in the world, the country that has 10 per cent of the world's forests. It is an interesting figure to keep in mind.

In the province of Quebec with only 1 per cent protected lands, the lowest percentage of protected lands of any zone, region, province, or territory in Canada, this government is indirectly supporting the James Bay II project without a full environmental assessment, a $24 billion project. They have waited for two years while an assessment could have been going on, bickering back and forth with the province of Quebec about terms of reference for environmental assessment. Now we see there is only going to be an initial environmental evaluation of the infrastructure, of the roads and the airports.

As I said in the House yesterday, these could be roads which go nowhere or they could be airports in the wrong place. Any intelligent government would have an environmental assessment of the dams, the reservoirs, the areas to be flooded and the impact on the Cree, the Inuit, wild fowl, marine mammals, fish, as well as the atmospheric impacts of this project which will divert and dam five river systems.

The government hopes to claim balance of convenience in the courts somewhere down the road, have $600 million or $700 million spent on roads, airports, and infrastructure, and then say: "Like in the Rafferty–Alameda case by the Court of Queen's Bench economic considerations have to come ahead of the environment". This is completely contrary to Brundtland and completely contrary to the personal promises of the Prime Minister.

This massive project, the largest industrial project ever conceived in the history of North America, will proceed without Canadians knowing what kinds of incredibly horrific impacts there will be, not only on the wildlife populations, not only on the fish, not only on the aboriginal people who have lived there for 10,000 years or more, but on the atmosphere and on the climate of all of eastern North America, and this without even looking at the alternatives.

As Dr. Lovins pointed out to the committee that I sit on, simply by going to energy efficiency and conservation on the island of Montreal alone we could save more power than is produced by James Bay I.

Who is kidding whom about who the worshipees of these megaprojects are? They are the Prime Minister and the premier of Quebec. It is not the people of Quebec. It is not Canadians who will benefit from this kind of megaproject. No one will benefit from not having a proper environmental assessment of a project of this magnitude. It is a not so cunning approach.

Let us spend a moment on the Rafferty–Alameda. This was a colossal bungle. Three ministers in a row sold out of the environment: Tom McMillan, the hon. member for Lac–Saint–Jean and now the present minister. They plead before the courts in sworn affidavits that there will be irreparable harm to the environment and then they do nothing about it. On the Oldman, in Alberta, it is almost exactly the same thing: once again a deal cut with a few Tory friends, exclude the public from any serious process, and never carry out the minister's own statutory responsibilities. The same thing happened with Rafferty.

There are $13 billion worth of pulp mill proposals on the drawing boards, proposals to cut one–third of the entire land mass of the province of Alberta. Where is the government showing leadership in its clear constitutional sector of responsibility for water and the atmosphere?

• (1710)

Where are the cumulative impact studies for Alberta, for British Columbia, and for the other provinces? With 40 per cent of the marine pollution in Canada coming from that one sector, and the government continues to promise clean–up, continues to promise all kinds of things, but never bothers to talk about the fact that there is already a closed loop technology for the pulping industry. Where is some leadership on that, some kind of support for those who have to draw their water from those areas?

In British Columbia the Kemano II project was exempted by Order in Council. Five ministers of fisheries in a row, including the present Speaker, promised that there would be a full public inquiry and a complete environmental assessment and review. In writing the present Prime Minister promised the people of British Columbia there would be a full public inquiry and environmental assessment.

Was there one? No. This government's word, this Prime Minister's word is not worth the paper that it is written on. It is not worth the amount of time it takes for Canadians to listen to the promises made by this Conservative Party and this Prime Minister.

I rest my case, Mr. Speaker.

Mr. Benno Friesen (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the member has talked about job loss in British Columbia. His riding is one that has a lot of rain forest in it. I think all members knows that. The Western Canada Wilderness Committee has said that its stated goal is to stop all logging activity in the rain forest.

Does the member support that goal of the Western Canada Wilderness Committee?

Mr. Fulton: Mr. Speaker, as is often the case with that particular member, he misstates not only the positions of other groups and other parties; he quite often misstates his own position.

Mr. Friesen: On a point of order, Mr. Speaker, first of all that statement is out of order and, second, I quoted accurately the statement of the Western Canada Wilderness Committee.

Mr. Fulton: Mr. Speaker, it is worth taking a look at the forest sector in British Columbia, because here is a member on the government side who condemned previous federal governments for spending less than 10 cents out of a dollar taken in revenue from the workers and the industry and putting it back into replanting. This is the government that is offering only $100 million for a five–year forest renewal agreement, when the provincial government wanted to go for a $1 billion five–year agreement and then a $700 million agreement.

By cutting back on the amount of funds available to a province such as British Columbia, where about half of the forest related activity in this country takes place, means that there is going to have to be reduction in the cut in the province of British Columbia. Even people like Dr. Pearce from the University of British Columbia now admit that to be the case.

What has happened is that as the cutting of the old growth forest in British Columbia has gone from 50 million cubic metres a year to more than 100 million cubic metres a year and the profits of the large integrated forest companies have almost doubled, we have seen a reduction of almost a third of the organized labour working in that sector.

It is quite clear, if the member would like to read the vote that was taken in his own majority Conservative forestry committee of this Parliament, it endorses the setting aside of 12 per cent of all of the forests and all of the watersheds on Vancouver Island and throughout this country. He might want to read his own government supported policy on forestry as it relates to British Columbia.

Mrs. Shirley Maheu (Saint–Laurent—Cartierville): Mr. Speaker, during his presentation the hon. member for Skeena said: "Who is kidding whom". I would like to ask the hon. member for Skeena about who is kidding whom.

You talk a very good story You talk about many things, but you do not talk about this country. You like to blame the premier. Mind you, I agree they have almost destroyed this country but, for your sake and from your side, what about members of your party who are also working for the destruction of Canada and the separation of a province that I represent?

Let us hear the NDP philosophy on that. Let us not only talk about environment. Let us talk about this country.

Mr. Fulton: Mr. Speaker, I am not sure what the question is that the hon. member has put. What I will say is that the history of this party, of the leaders and the members of this party, is a long and honourable one in attempting to keep this country as one united country.

I must say, Mr. Speaker, from the tone of the member's remarks that somehow or other this party is in some way encouraging the break-up of this country. That is quite far from the truth. Anyone who wants to read what this party has had to say both in this House and across this nation about steps we should be taking to try to encourage the province of Quebec to feel it has a real, long-term, unifying part to play in this marvellous nation of ours has not listened to what members on this side and in this party have had to say.

I have not heard anything particularly productive or useful said by the recent leaders of the Liberal Party in relation to the problems that Quebec faces, problems that we have seen while the majority of that party have found their support from the province of Quebec. The present government also finds the majority of its seats to stay in power in the province of Quebec. To try and blame the problems of this country and problems that Quebec is having with the nation as a whole on the NDP is a wee bit hypocritical.

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. parliamentary secretary on a point of order.

Mr. MacDougall: Mr. Speaker, I would ask consent of the House to allow us to continue with some questions to our hon. friend. I am sure that those of us who come from regions of the country that rely heavily on the resource sector would love to be able to find out really what is the policy of the NDP member concerning whether he wants a resource to be there, or whether he does not.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Is there unanimous consent for continuing questions and comments?

Some hon. members: Agreed.

[*English*]

An hon. member: No.

An hon. member: A point of order, Mr. Speaker.

Mr. MacDougall: Mr. Speaker, when we listened to the hon. member—

Mr. Riis: Mr. Speaker, I may have misunderstood what you meant, but I understand that we were running a rotation and that the New Democrats were splitting up their section, so my hon. colleague would be next, Sir.

Mr. Butland: On debate.

The Acting Speaker (Mr. DeBlois): There is no consent. Resuming debate. The hon. member for Sault Ste. Marie has 10 minutes for his speech.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, before I start my speech I would like to congratulate my hon. colleague. I am sure he is going to make an excellent minister of the environment after the next election.

Some hon. members: Hear, hear.

Mr. Butland: Having said that, I want to get to the resolution:

> That this House express its loss of confidence in the Prime Minister and call upon him to resign and immediately call an election.

It does not take an election. If we had a vote in this country right now, overwhelmingly, 85 per cent at least, would say, "Resign, get out." We don't need an election to get that result. What is the greatest accomplishment of this government? Seventy-one per cent could not cite anything, according to a poll in the paper today. They could not cite any kind of accomplishment, let alone a great accomplishment.

Mr. Speaker, we are talking about leadership. I went to a book and tried to find a quotation that fits this Prime Minister. It was impossible, but I would like to cite a few. "A leader is a dealer in hope". Napoleon Bonaparte said that. Certainly this leader does not deal in hope. He has dealt in despair.

An hon. member: Yeah, ruined the country.

Mr. Butland: Mao Tse Lung says, "For the best leaders, the people do not notice their existence". Well, this summer we did not notice this leader, but much of the rest of the time we do recognize him.

The next best quotation: The people honour and praise. Of course we know that that is not true. We are going down the list. Next: The people fear. And then, the people hate. I am not happy to say that the people in my community not only say that the Prime Minister is not a good leader, but they dislike him. Some people say, "We hate him". I think that is a sad statement for anybody to make, even an opposition member.

The former leader of the Liberal Party took us in the wrong direction, but at least he would give the country direction. It was the wrong direction but the country respected that person as a leader. This country is wandering without any direction.

• (1720)

When the best leader's work is done, the people say: "We did it ourselves. We did it." With the operations of this government, there is no "we". It is a royal "we" or "I".

A chief is a man who assumes responsibility. He says: "I was beaten." He does not say: "My men and women were beaten." I think the Prime Minister should say: "I am a beaten person, but the rest of you do not have to come down with me. It is not necessary."

This is the second anniversary, and all MPs are happy about that I am sure. An anniversary is a happy event. We as MPs get to go to many anniversaries and celebrate with people on special occasions, on 50th and 60th anniversaries, as I did last week, and it makes us happy. This anniversary does not make Canadian people happy. They despair. It is a dirge. There is a pall over the country. There is gloom and doom everywhere. It is a sad state of affairs.

An hon. member: Only in your riding.

Mr. Butland: Only in my riding, and I will get to that. Only in my riding, caused by this government's policies. That is why there is a pall in my community. The government shut down the steel industry. It is impossible to sell any steel in the United States. It is impossible because of high interest rates and the free trade agreement, which this government said: "Without free trade, these shipments could be subject to quotas, increased tariffs, embargoes or freezes."

Where will the extra production go? I will tell you, Mr. Speaker, it will not go anywhere because the United States has precluded us from selling any kind of steel in the U.S. market.

I know the hon. member for Burlington is a very sincere man. He is an expert in steel, but surely he must agree that this free trade agreement has been an abomination for the steel industry in this country.

Going along with high interest rates and the inflated Canadian dollar is a good reason for the dirge and pall in my community, as the minister has cited. It is at their doorstep that 6,000 people were out of work for 15 weeks. As of today, there will be 600 or 800 people called back. This situation is most unfortunate.

The sad part of it is the labour dispute may not be deemed to have ended. I hesitate to say this, Mr. Speaker, but the workers may not receive unemployment insurance unless there is an immediate change of policy, some compassion shown by the minister and the department so that these people will have some hope of at least a reasonable Christmas.

Don't say that it is only my constituency where there is a pall. It can cite any number of constituencies, including those of government members which must be suffering as well. It is a litany of lost jobs and closures right across this country.

The policies play no favourites. It is not only Sault Ste. Marie. It is right across the country. I am sure constituents are telling government members this each and every day that they go into their constituencies. If I were on the government side, I certainly would not want to go into my constituency. It is a government without a leader and I think the crew is ready to mutiny.

I understand that it is difficult to get members to go to committee.

Mr. Boudria: What committees?

Mr. Dingwall: "What committees?", they say. When they do go, I understand they are very silent because if they speak, that will give away everything. They do not want to be there to defend any of the government policies.

An hon. member: Indefensible policies.

Mr. Butland: They are indefensible policies. Oka, the Persian Gulf, PetroCan, Open Skies policies, the GST, the clawback and the free trade agreement, are impossible to defend. I would not go to committee either. I would not want to go to committee.

Mr. Richardson: You've got the heavyweights out today.

Mr. Butland: Indeed. Well said.

I want to get back to the steel industry that this government has truly decimated. When our own people who work in trade suggest that we are fair traders, why do the Americans not treat us fairly? Why do they not?

Even our own Canadian Trade Tribunal has removed dumping tariffs against 11, 12 or 13 other countries. We say: "Let their steel come in. There is no evidence that they might dump. There is no evidence." Yet the Americans harass us on a regular basis and the dispute panel mechanism has been a total flop.

Even the Algoma Steel Corporation has suggested we have lost faith. I do not blame them because we cannot win. I have read the rulings. I am not a lawyer, but the language tells a layperson that we cannot win a ruling. It is impossible. So what has this bought? What does the government say? Well, our people say we are fair traders and why are we treated this way? The Americans jump all over us and we do not even say ouch. We do not say anything. We are silent.

I think it is time that this government played a little bit of hard ball with the Americans. I know the hon. member for Burlington would agree with me, that we have not been aggressive enough. We have been too quiet. We are silent. I have written letters but obviously that does not mean anything. Someone says we have the heavyweights out today. Well, maybe that is it. They do not pay attention to anybody. They would never pay attention to an MP from lowly Sault Ste. Marie. Well it is time they listened.

Some hon. members: Hear, hear.

Mr. Butland: The Canadian people will demand that the government listens. I think the people in Sault Ste. Marie will demand that it listens.

The Prime Minister should do the honourable thing, not only for everybody here in the House, but for the good of the Canadian people, even for his own members. I think he should do them a favour. Get a new leader and we might get some new direction. We look upon that favourably.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, earlier, as you know, I tried to extend the question period of the hon. member for Skeena, but knowing the manner in which the NDP like to hit and run, I felt that probably I could not get that.

Mr. Fulton: You know the rules.

Mr. MacDougall: What I would like to say is that for many years the NDP always had the feeling of the working people, that they were there to support them in the regions of the country. They were there to support the miners, the loggers, the individuals working in industries, the resources, the fishermen, the agricultural communities. The NDP was always there to stand up for and believe in the fact that this country was built from its resources.

I have been here nine years now and the last number of years it is unbelievable the way they have flip-flopped. The party that was built to form and strengthen Canada for the working people has thrown that out the window. They are too interested in supporting the interest groups, those that are willing to put our miners out of work, put our bush workers out of work, put our fishermen out of work because it is popular and because it is the urban centres of this country from which they get their votes. They have more interest in the power of being in power, which will never happen, rather than representing the regions of this country.

I ask this question of the hon. member from Sault Ste. Marie, someone who comes from northern Ontario. Someone should be standing up and fighting for northern Ontario rather than sitting back taking this gunk that is coming from the hon. member for Skeena.

I ask the hon. member, does he not think that Fednor, which was developed for northern Ontario, has benefited regions of northern Ontario? Does he not believe in the Sudbury neutrino centre? It is the only one in the world. Does he not support that? Does he not support the fact that the Nordic Games are coming to northern Ontario? Does he not support Community Futures?

These are policies that have been developed by the Prime Minister and this government. Northern Ontario is something that the previous government forgot about. I say to the hon. member, if he is really sincere about northern Ontario, if he is really sincere about what is happening, would he fight the hon. member for Skeena and fight for those people who live in the regions of this country?

• (1730)

Mr. Butland: Mr. Speaker, that was a meandering question which I suppose is someway related to the environment. Since the government is polluting just about everything, there is some analogy there. I do not think our party needs to apologize to anyone, especially the people across the way.

They cite interest groups. We have no problem paying attention to interest groups. We have no problem at all. If somebody does not, then who makes up the interest groups? Who are in the interest groups? They are Canadian people. And what is the problem with that?

Where I thought it humorous was when the hon. member mentioned specific programs such as Community Futures which was initiated by my predecessor. I am sorry but that program does not work. The people in it are doing a great job, but their hands are tied, totally tied.

If an application is approved in my community, it will then go to Sudbury. If it is approved in Sudbury, it will then go to Toronto. If it is approved in Toronto, it will then go to Ottawa. If it is approved in Ottawa, it still may go to the minister's office and they say: "Oh, no, that is not a good application."

Do not tell me how wonderful these government programs are. The people do the best they can with the programs, but they are of no great benefit to northern Ontario. The money could be better spent.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very pleased to participate in the debate this afternoon and I hope that the House will not be overly disturbed if I actually address the subject of the motion.

It is an extraordinary motion. It states:

> That this House express its loss of confidence in the Prime Minister and call upon him to resign and immediately call an election.

What a preposterous comment.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Ms. Campbell (Vancouver Centre): There are the appropriate gestures from the trained seals on the other side of the House, Mr. Speaker, and probably a similar quality of noise, but not much insight. It is a ridiculous comment.

Today is the second anniversary of the second electoral victory of our Prime Minister, the right hon. Brian Mulroney.

Some hon. members: Hear, hear.

Ms. Campbell (Vancouver Centre): The current Prime Minister has led the Government of Canada for approximately six years. I think the record of the Prime Minister speaks for itself, but I would like to have the pleasure of addressing it this afternoon because I think what we have seen is a great leader, not just of a government, but a great leader of a party and a great leader of a great nation.

I come from a part of the country that does not take its position in the House for granted because for many years people in my part of the country felt disenfranchised from what went on in Ottawa. For much of my adult life, the voice of British Columbia has been a voice crying in the wilderness. I seem to recall the Salmon Arm salute and other gestures of congeniality from governments of Canada and leaders of Canada toward my part of the country.

Since 1984, the voice of the west and the voice of British Columbia in particular has been heard more strongly in the Government of Canada than at any other time in my adult lifetime. In fact, in my whole life, with the exception of a vague memory I have of Mr. Diefenbaker's government back in the late 1950s and early 1960s, this is the only time I can remember truly feeling enfranchised in Ottawa on the government side of the House.

The party that forms the government is a party with truly national roots and the leader of this party is a leader who has been capable of creating a party with truly national roots. I would argue that that is in and of itself a sign of remarkable leadership.

When the Prime Minister of Canada sits at his cabinet table and looks at his ministers, he sees a profile of the country. That profile is only enhanced and enlarged when he sits in his national caucus, which he does faithfully every week, to listen to all his members, to listen to their concerns.

Mr. Fulton: He wasn't there today. Every week, my foot!

Ms. Campbell (Vancouver Centre): I did not realize that the hon. member from the NDP was visiting our national caucus. I regret he is not the one we would welcome most across the floor. We kind of like that cute blond-haired guy that sits in the front row, but if you are keen, I am sure we can work something out.

Given the diversity of regional outlooks in the country and given the extraordinary variety of concerns that preoccupy Canadians—because, notwithstanding that we are a small country of 26 million people, we inhabit the second largest land mass of a country in the world—it is a sign of the extraordinary leadership capability that the Prime Minister has forged a great national governing party that is able to do the work of governing Canada for all Canadians and where all Canadians know their voices are well heard.

The Prime Minister has the loyalty of those who serve him and serve with him. He has the loyalty because he returns that loyalty. One of the aspects of leadership that is very often ignored is one of the things that is most important and that is the ability to create a team. When that is missing, it is very obvious, but it is a strength that often goes unnoticed when it is present because it simply creates the foundation for effective action.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I would ask all hon. members to be co-operative so that we will be able to hear what the next speaker has to say. I would appreciate the co-operation of both sides of the House.

The Minister of Justice.

[*English*]

Ms. Campbell (Vancouver Centre): Thank you, Mr. Speaker. Therefore, out of this extraordinary national organization, a national political force led by an extraordinary national leader, we have an opportunity for the people of my part of the country to have their voices heard as they never have been heard before, or certainly not for much of this century.

The west has in a sense been re-enfranchised, thanks to this Prime Minister. There are 10 western ministers in the Government of Canada. They hold very important portfolios, portfolios that are important to the people of the west: agriculture, grains and oilseeds, energy, defence, and many other portfolios. That western voice in the Government of Canada has been reflected in the policy of the Government of Canada where western interests have been responded to and the aspirations of western Canadians have finally had an opportunity to be realized.

That is not just because the Prime Minister believes that he is the Prime Minister for all Canadians. In addition to being a leader deeply committed to all the country, he is also a leader with the courage to take the difficult structural decisions that for so long were left untaken by governments in the country which resulted, not just in the economic disadvantage of the country, but in the strains between the regions of the country.

I will give you as a prime example the issue that brought me into federal politics, the free trade agreement. In 1975 the four western premiers met at an economic development conference. They published a manifesto in which they urged the Government of Canada to focus on opening up markets with the United States. For western Canada that was the natural base upon which they could develop their economies, diversify them and get them away from the terrible boom-and-bust dependence on resource economies.

For much of our country's history, it has seemed to those of us in the west that our economy was regarded as a source of raw materials for the industrialization of central Canada and we had a tariff policy that was designed to protect industries in central Canada, whether or not they were efficient.

Those were of great concern to leaders in western Canada. In 1975 the western premiers published a document calling on the Government of Canada to reduce tariffs with the United States and open up opportunities. It is interesting that the document was signed by four western premiers, only one of whom was a Conservative, Peter Lougheed from Alberta. The other three were members of the New Democratic Party—Ed Schreyer, Allan Blakeney, and Dave Barrett from British Columbia.

There is nothing partisan about the concern of western Canadians for the destructive effect of the traditional Canadian tariff policy on our economy.

Mr. Fisher: That was 1972.

Ms. Campbell (Vancouver Centre): It was 1975 and in fact it was a very accurate outlook.

The Prime Minister, like many people in this part of the country, had originally taken the view that free trade would be a disaster. Like most people in central Canada, his first instinct was to protect the central Canadian economic base. But part of the greatness of the Prime Minister is reflected in his ability to rethink and re-evaluate his own views.

When the Macdonald Royal Commission came down with its report and strongly recommended that the Government of Canada negotiate a free trade agreement with the United States, the Prime Minister had the kind of integrity to re-examine his own views and to recognize that in fact his previous views of hostility toward a free trade agreement may in fact have been wrong. Perhaps there was a broader national interest that could better be served by liberalizing trade with the United States.

• (1740)

People who opposed the free trade agreement used to like to say: "Well, 80 per cent of our trade with the United States is already tariff-free." That is a very misleading statistic, because that was 80 per cent of existing trade. How much trade could there have been? How would the volume of trade be affected by reducing tariff barriers?

In my own province, the reason British Columbia governments of all partisan stripe have been opposed to the national tariff policy is because, as a country with resource industries, we found that we could sell our unprocessed raw materials into the United States without a problem, but, as soon as we began to add value to them, the tariff barriers went up.

It is very hard to carry, for example, a 19 per cent tariff barrier on processed zinc and still remain competitive. Therefore, there was no trade in processed zinc between the United States and British Columbia. Therefore, the potential of a trade in processed zinc never entered into the calculations when people talked said: "Well, 80 per cent of our trade is already tariff-free." That 20 per cent that was not contained within it has the potential for enormous growth and development.

It is very interesting that since the implementation of the free trade agreement and since this government has come to power, British Columbia is one of the economies that has taken off. With those barriers beginning to disappear, people want to invest in British Columbia and bring in value-added production. My part of the country owes a great deal of gratitude to the courage of Brian Mulroney.

Not only is it the free trade agreement, but it is the approach of this government to regional economic development. The western diversification program is one of the most effective programs for economic development that the country has ever seen. It is a program that suits the sense of fiscal conservatism in western Canada. We are very close to our pioneer roots in western Canada. We do not like a lot of waste in government spending and I will come back to this in a moment.

Grants from the Western Diversification Fund are almost all repayable. About 75 per cent of them will be repaid to the Government of Canada. The leverage of western diversification funding to private sector funding is one to fifteen. I challenge any government in the world to find that kind of productivity. That means that, for every dollar of public funds that goes into a project, $15 of private sector funding comes along with it.

The western diversification program is non-partisan and non-political. I meet many recipients of western diversification funding. They are enormously creative and able people who just need a leg-up in developing new markets and building prototypes to begin to get sales. They tell me that when they take a western diversification approval to a financial institution it is enough for the financial institution to grant them funding, so valued and so admired is the vetting process of western diversification.

It is a program designed to meet the specific needs of western Canada which, for so long, has struggled as hewers of wood and drawers of water, reapers of grain, and diggers of minerals, but without the opportunity to diversify that potential and without the ability to insure itself against the vagaries of the fluctuations in prices of international commodities. This is a luxury which people in central Canada have enjoyed for a very long time, but something which is not part of the western experience.

Perhaps westerners are closer to their roots. They have a real concern about fiscal responsibility. Perhaps they are closer to their prairie or pioneer roots—

Mr. Nault: Us northerners are as close as you get.

Ms. Campbell (Vancouver Centre): Northerners may be even closer, but westerners are very close to their pioneer roots. They have a great concern for fiscal responsibility.

It is interesting that the finance minister in British Columbia, Mr. Mel Couvelier, has stated that Michael Wilson has done a better job than any finance minister in Canada in restraining government spending.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. DeBlois): It being 5.45 p.m., it is my duty to interrupt the proceedings and put every question necessary to dispose of the business of Supply, pursuant to Standing Order 81(14).

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. DeBlois): All those opposed will please say nay.

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. DeBlois): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 313*)

YEAS

Members

Allmand
Anawak
Arseneault
Bélair
Berger
Boudria
Brewin
Callbeck
Clancy
Dingwall
Althouse
Angus
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Blondin
Breaugh
Butland
Catterall
Crawford
Dionne
Fisher
Fulton
Gagliano
Grey (Beaver River)
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
McCurdy
Mifflin
Murphy
Proud
Riis
Samson
Skelly (North Island—Powell River)
Stewart
Tobin
Waddell
Foster
Funk
Gauthier
Harb
Heap
Hovdebo
Jordan
Keyes
Langdon (Essex—Windsor)
MacAulay
MacWilliam
Manley
McGuire
Milliken
Nault
Rideout
Rodriguez
Simmons
Speller
Taylor
Vanclief
Whittaker—64

NAYS

Members

Anderson
Atkinson
Belsher
Bird
Blackburn (Jonquière)
Bosley
Boyer
Browes
Campbell (Vancouver Centre)
Charest
Clifford
Collins
Couture
Crosby (Halifax West)
Darling
Desjardins
Dobbie
Dorin
Epp
Feltham
Fontaine
Friesen
Guilbault
Halliday
Hawkes
Hockin
Horner
Hughes
James
Johnson
Jourdenais
Koury
Langlois
Lewis
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mazankowski
McDougall (St. Paul's)
McLean
Mitges
Moore
O'Kurley
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Andre
Beatty
Bernier
Bjornson
Blais
Bourgault
Brightwell
Cadieux
Cardiff
Clark (Brandon—Souris)
Cole
Cook
Crosbie (St. John's West)
Danis
de Cotret
Dick
Domm
Duplessis
Fee
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Holtmann
Horning
Jacques
Jelinek
Joncas
Kempling
Landry
Larrivée
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Mayer
McDermid
McKnight
Merrithew
Monteith
Oberle
Plourde
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski

Sparrow	Stevenson
Tardif	Tétreault
Thompson	Thorkelson
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Weiner	White
Wilbee	
Wilson (Swift Current—Maple Creek—Assiniboia)	
Worthy—121	

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

It being 6.13 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.13 p.m.